



Tomorrow

Generation game
Choosing gifts
for all
the family
Children's laughter
Spike Milligan on
his return
to pantomime
Future perfect
Compact disc,
separating the sound
from the fury
Landlord trouble
Family Money:
guide to the
pitfalls of leasehold
Out of the hat
Possible permutations
of the World Cup
draw in Mexico

Portfolio

Yesterday's Times Portfolio
competition prize of £2,000 was
won by Mrs Rayna Seller of
Chigwell, Essex. Portfolio list,
page 18; How to play, back
page Information Service

Verdicts on miners is upheld

The House of Lords upheld
verdicts of manslaughter
imposed on two South Wales
miners originally jailed for life
for killing a taxi driver during
the pit strike. The law lords
dismissed the appeal by the
Crown against the Court of
Appeal ruling. **Page 2**

Fund fight

Senior ministers are to try to
persuade staff in government
departments to reject proposals
for Civil Service unions to set
up political funds. **Page 2**

Anne Baxter dies

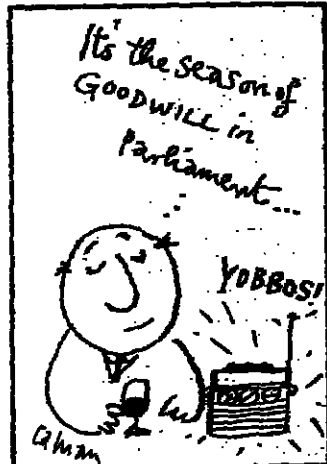
The Oscar-winning actress, Anne
Baxter, died eight days after
suffering a stroke and collapsing
on a New York City street. She
was 62. **Obituary, page 12**

Bonner jammed

The Soviet KGB began to jam a
phone call Mrs Yelena Bonner
was making from Newton,
Massachusetts, to her husband,
Dr Andrei Sakharov, when she
tried to tell him he was being
filmed secretly, according to
members of her family. **Heart ailment, page 7**

Star Wars hitch

The future of the American
Strategic Defence Initiative has
suffered a setback from a hitch
in crucial X-ray laser research.
Science report, page 12



Labour 'yobs'

Mr Norman Tebbit accused
Labour MPs of behaving like
'yobbo's' and was in turn
criticized for a 'pathetic performance'
in the aftermath of a
furious Commons clash during
a debate on the inner cities. **Page 2**

Top of the world

Britain gained its first bobble
gold medal in 20 years when
Nick Phipps and Alan Cearnus
won a World Cup two-man
event at Cortina. **Page 25**

SPECIAL REPORT

Frank Johnson reports from
Bonn on West Germany, a
model democracy buoyed by
economic success. **Pages 13-16**

Home News	2-24	Leading articles	11
Overseas	5-7	Letters	29
Arts	25	Motoring	19
Business	18-25	Parliament	12
Chess	12	Obituary	12
Comet	12	Sale Room	12
Crosswords	8, 11	Science	25-27
Diary	10	Sport	31
Enigma	25	TV & Radio	31
Features	9-10	Theatre, etc	31
Law Report	25	Universities	32
		Wills	32

US peacekeepers die on flight home for Christmas

258 killed in air crash on take-off at Gander

From Trevor Fishlock, New York

Crash investigators were last night seeking the cause of the airliner disaster in which 250 home-going American soldiers and eight air crew were killed. The aircraft crashed as it lifted off from Gander airport, in Newfoundland, on the last leg of a flight from Egypt. No one survived.

Inquiry teams probing the remnants of the DC8 aircraft wanted to know: was the plane destroyed in the air by a bomb or an engine explosion - or did it catch fire on impact after a catastrophic failure of its controls or a sudden loss of power?

At the Pentagon in Washington an official said: "We have no reason to suspect sabotage." The dawn sky was lit by a vivid flash as the aircraft blew up a quarter of a mile from the end of the runway. A rescue worker said: "Bodies were strewn all over hell."

The blue and white chartered plane was fully loaded with passengers and with 50 tons of fuel. On board were 247 paratroopers and infantrymen of the 101st Airborne Division, and three service women. They were all going home for Christmas after duty with the multinational peace-keeping force in the Sinai peninsula.

A special welcoming ceremony and a host of parties had been planned for them at their home base in Kentucky.

Their aircraft was about 1,000 feet off the runway when it dived into woods near Gander Lake and burst fiercely. The screams of rescue teams grew quickly quiet when it became plain that no one was alive.

An eye witness said: "The aircraft made a slow descent and disappeared in the trees. A mushroom of flame shot up. There was no noise. It was like watching a silent movie."

It was the worst air disaster on Canadian soil in what has been the worst year for crashes in world aviation history. It was the seventh major aircraft crash of the year and brought to about 2,000 the number of people killed in air accidents in 1985. It

was also the worst military air disaster in US history.

Teams from the American Federal Aviation Administration and the National Air Transportation Safety Board joined Canadian investigators in their sifting of the wreckage.

The soldiers, most of them dressed in uniform or combat fatigues boarded the aircraft in Cairo. It flew to Cologne and refuelled again in Gander, on Canada's easternmost edge, and was just starting its journey to the military base at Fort Campbell, Kentucky.

The weather at Gander was reasonably good. The sky was overcast and the temperature was about 24deg F. There had been some freezing drizzle earlier. Airport officials said that it did not appear that weather was the factor in the crash.

A spokesman for the Royal Canadian Mounted Police said: "There is nothing to indicate any act of terrorism."

The DC8, which was 16 years old, had been chartered by the Government from Arrow Air, of Miami. The company has a contract for troop transportation. The eight crew of the plane were civilians.

A 10-man Pentagon team, headed by Major General John Crosby, left Washington for the crash scene.

Flags fluttered at half mast over the Fort Campbell army base yesterday. Soldiers, staff and families were stunned with grief.

Their comrades had left for the Middle East in July. A Fort Campbell spokesman said: "This is a sad day. We are trying to confirm the passenger list before we go out to notify relatives."

● JERUSALEM: Mr Shimon Peres, the Israeli Prime Minister, sent a message of condolence to President Reagan (Jan Murray writes). The men who died, he said, had been serving the cause of maintaining world peace.

Signal mission, page 6



Rescue workers search the DC8's smoldering wreckage, as seen on television.

Lords reject councils' grants plea

By Colin Hughes
Local Government
Correspondent

Bradford and Nottinghamshire councils yesterday lost a House of Lords appeal case, which would have forced the Government to pay out about £50 million in lost grant to 10 local authorities.

The court contest, which began in the High Court in March, threatened the Government's strategy for controlling local government spending. If the Government had lost its appeal to the Lords, its target and penalty system would have been legally undermined.

The unanimous decision by five Law Lords to overrule a Court of Appeal judgement in the council's favour means that the Department of the Environment can go ahead with announcing rate support grant figures next week.

Had the Government lost its appeal it would have needed to rush through fresh legislation. Other councils would also have attempted to challenge the legality of withholding another £1,000 million in grants back to 1982.

Bradford and Nottinghamshire, which had costs awarded against them yesterday, argued that the target system unfairly discriminated against them and therefore breached the principle that the law should apply equally to all councils.

They claimed the targets were a "perverse and unreasonable exercise" of the powers of the Secretary of State for the Environment.

The Lords, however, ruled that the details of targets were not for the courts to decide, apart from exceptional circumstances.

Continued on back page, col 6

Lloyd's told to put house in order or face legislation

By Anthony Bevins, Political Correspondent

The Lloyd's insurance market was warned by a minister yesterday that the Government would intervene with further legislation if it failed to put its house in order.

As Commons pressure was maintained for firm government action on City fraud, with the Prime Minister pledging no let-up in her determination that fraudsters should be brought to book, the head of the City of London fraud squad issued a direct, personal appeal to Mr Brian Sedgmore, for a new crackdown on the MP's Johnson Matthey-Bankers investigation.

He was told of fraud squad fears that evidence might be "destroyed or spoiled beyond redemption" by his public statements.

Mr Michael Howard, the Parliamentary Under-Secretary for Trade and Industry who has responsibility for the Financial Services Bill, said yesterday that the forthcoming legislation was "not an appropriate vehicle for regulating Lloyd's."

He said that Lloyd's was setting up its own self-regulatory system under the terms of the Lloyd's Act 1982, a piece of private legislation.

But he added in an interview on the BBC radio *World at One* programme: "A close watch is being kept on the way in which that system is working to see whether anything more needs to be done."

"If it is not working properly, let me say, I would have no hesitation in taking the necessary action to make sure that a proper regulatory system is enforced in Lloyd's."

The Government is resisting all-party pressure to include Lloyd's in the Financial

Operation stake out defended by Yard

By Michael Horsnell

Mr John Dellow, head of Scotland Yard's CID, last night ruled out changes to operational procedures for undercover detectives after a jury acquitted Mr Kenneth Noye, a millionaire property dealer, of the murder of Det Constable John Fordham during a secret surveillance operation which went disastrously wrong.

The Yard's top detective added that there would be no police inquiry into the stake-out by officers who were not armed, at the home of Mr Noye on the night of January 26 which was ordered during investigations into the £26 million Brinks-Mats gold robbery.

Mr Dellow, who said he was satisfied that the police operation in the grounds of Mr Noye's 26-acre estate at West Kingsdown, Kent, was lawful, said after the trial: "I am satisfied that the operation was as professionally and properly carried out as it could have been."

Mr Noye, aged 37, a self-made millionaire who left school at the age of 15 to train as a printer, was cleared on a majority verdict after the jury, which also cleared his colleague Mr Brian Reader, aged 45, of murder, had deliberated for more than 12 hours.

Both men were returned to custody after the verdict to await trial next year for allegedly handling stolen gold from Brink's Mat.

Police are concerned, despite standing by their operational procedures, about the ramifications of the acquittal which came after Mr Noye's defence in court that he stabbed Constable Fordham in self-defence after taking the camouflage officer as an intruder.

Among the more important questions police are asking are: Was not Constable Fordham bound to be taken as an armed intruder? Why was he not properly equipped to deal with the dogs who spotted him on Mr Noye's estate and alerted him?

The constable's widow, Mrs Ann Fordham, mother of three, walked in tears from the Central Criminal Court and later spurned the sympathy of Mrs Brenda Noye, wife of the defendant.

Court report, page 3

Telecom profit up £201 million

Shares in British Telecom fell only 1p to 139p despite the announcement of lower-than-expected profits for the half-year to the end of September. Pre-tax profits rose £201 million to £885 million.

The company described as "only a blip" the slight slowdown in telephone traffic growth during the second quarter. **Page 19**

Tax cuts at risk, admits Lawson

By Julian Haviland
Political Editor

Mr Nigel Lawson, the Chancellor of the Exchequer, said in the Commons yesterday that the prospects of an oil price lower than he assumed in his autumn statement reduced the scope for tax cuts in next year's Budget.

Mr Lawson, opening a debate on last month's statement, defended his decision not to give an estimated fiscal adjustment or a revenue forecast, as in previous years, for which he has been criticized by the treasury select committee. He said he was sorry the committee had not endorsed his common-sense decision, but none would be published this year, or in any subsequent autumn.

The autumn statement was not a "sneak preview" of the Budget.

He said there could have been no swifter vindication of this decision than oil market developments since the Opec meeting in Geneva.

"The dust has not settled on that yet," he said, "and it is too soon to form a view of the likely level of oil prices over the coming year."

"But insofar as the prospect now is for a lower oil price than was assumed in the autumn statement, it follows that, other things being equal, tax revenues will be correspondingly lower and the scope for tax reductions in next year's Budget correspondingly diminished."

Mr Lawson said a sudden fall in the oil price so great as to cause serious dislocation to the world economy was "as unlikely as it is undesirable."

"Even now, at its peak, oil accounts for only 6 per cent of GDP, and we are a substantial oil consumer as well as a substantial producer. What we stand to lose on the swings, we stand to gain on the roundabouts."

Government policy remained unchanged. He had in the past told Opec ministers that it was impossible for the Government to decide the level of oil production, which was for the oil companies. That remained the position.

The Chancellor rejected the Treasury select committee's charge that the Government had made a major and unannounced change in monetary policy.

There had been no major change in financial strategy. He had emphasized in his Budget speech the government's commitment to maintain monetary conditions that would bring down inflation, and then they had demonstrated since then that they meant what they said.

"I am confident that inflation will continue to subside. No one seriously doubts it. And, as the prime minister said, we shall take no action, on taxes or on interest rates, to put this paramount objective at risk."

Parliament, page 4
Leading article, page 11

MPs' group to tour riot areas

By Richard Evans
Lobby Reporter

An all-party Commons select committee is planning a nationwide tour of Britain's riot spots, including Tottenham's Broadwater Farm Estate. It is set to take evidence from the local council leader Mr Bernie Grant.

The inquiry by the Conservative-dominated employment committee into job discrimination, particularly involving blacks, will include visits to areas such as Toxteth, Handsworth and Brixton, as well as Tottenham.

Mr Ron Leighton, Labour MP for Newham North East and committee chairman, last night said he and his colleagues would dress down in jeans and pullovers when they visit Broadwater Farm Estate, where

Police Constable Keith Blakelock was killed during a riot in October.

"If I don't see rioters I will be unhappy. I want to meet them," Mr Leighton said.

The tour of the London estate, planned for next February, will involve a morning visit to the main social club where MPs' wives of whom are unemployed, Mr Leighton has asked specifically that councilors and local officials should not be present.

"These people never meet PMs. They think MPs are stuffy and establishment figures. If they don't come to us, we have to go to them. It is Parliament's duty to find out what is going on in this country in places like Tottenham and Brixton," he said.

Mr Leighton believes the Broadwater Farm Estate is a typical "no-go employment" area where blacks may suffer from discrimination in getting jobs.

During their visit the MPs, will lunch with Haringey councilors, led by Mr Grant, and after taking evidence in the afternoon from officials, including the local job centre, Mr Grant and the opposition leader on the council will be on standby to be cross-examined by MPs.

When MPs go to Liverpool they are anxious to see the city's two church leaders, Archbishop Derek Worlock and Bishop David Sheppard.

Mr Leighton said: "We have in existence these 'no-go' employment areas with up to 90 per cent of people out of work."

Severn Bridge goes free as judge outlaws toll rise

By Hugh Clayton
Environment Correspondent

Thousands of motorists crossed the Severn Bridge for nothing yesterday after a High Court judge outlawed the Government's latest toll increases.

The Government will however keep all the extra money raised since tolls were more than doubled in June. It will go towards paying the bill of more than £70 million still outstanding for debt, interest and repairs.

The ruling by Mr Justice Webster was the third court defeat this year for Mr Nicholas Ridley, Secretary of State for Transport. The judge

said that Mr Ridley's order raising the tolls was "null and void" because Mr Walter Wood, inspector at a public inquiry, had not considered all the points made by objectors.

The June increases from 20p to 50p for cars and from 40p to £1 for lorries angered Welsh councils and hauliers as queues of motorists who did not know that tolls had risen grew up to five miles long.

On the same day the Government announced a contract worth almost £750,000 for renewing manholes on the bridge, which takes the M4 and about 35,000 vehicles a day across the Severn between England and Wales.

operated since 1979, will be restored - probably today - as soon as computer changes can be made by Avon county council, which manages the bridge for the Government.

Avon was the only English county council of five made parties to yesterday's court action.

Mr Ridley had not decided last night whether to appeal. The judge said that the inquiry inspector who reported to Mr Ridley had decided that he could consider only whether the planned rises were lawful under the Severn Bridge Tolls Act and how the rises should be split between cars and lorries.

The inspector would not consider wider objections. One of the main complaints from Wales has been that the tolls on a prime road link frustrate efforts to bring new jobs to the south of the principality.

The judge ruled that the inspector's failure to consider wider objections amounted to a "procedural impropriety," which invalidated Mr Ridley's decision to raise tolls on the inspector's advice.

The inspector had not considered objectors' complaints that tolls included the costs of nearby roads and the costs of strengthening the bridge.

"The points would and should have assisted the Secretary of State in the exercise of his discretion and power," the judge said.

Last month Mr Ridley decided not to appeal to the Lords against a Court of Appeal judgement that he cannot stop the night and weekend lorry ban which the Greater London Council intends to start in central London next week.

A High Court Judge ruled in a different case in January that a demand by Mr Ridley's department for more than £250 million from the Greater London Council in connection with the transfer of London Transport from the council to a new regional authority was "unlawful, irrational and procedurally improper."

Manslaughter verdicts are upheld on miners who killed taxi driver

By Frances Gibb, Legal Affairs Correspondent

Verdicts of manslaughter and eight-year prison sentences imposed on two South Wales miners originally jailed for life for killing a taxi driver during the coal strike were upheld by the House of Lords yesterday.

The law lords dismissed an appeal by the Crown against a Court of Appeal ruling that the original verdicts of murder should be reduced and life sentences replaced by those of eight years in the cases of Dean Hancock, aged 22, and Russell Shankland, aged 21, of Rhymney, Mid Glamorgan.

Had the comparatively rare appeal by the prosecution succeeded and the Court of Appeal been held to have been wrong in law, the convictions imposed on the two men at Cardiff Crown Court last May would have been reinstated.

The law lords said yesterday that the case was important and that they would be giving their reasons for their decision later.

Last month, the Court of

Appeal headed by Lord Lane, Lord Chief Justice, quashed the original murder convictions on the ground that the trial judge had unwittingly misdirected the jury on the necessary mental intent for murder.

Lord Lane described the crime as coming "high up in the scale" of seriousness for manslaughter.

With normal one third remission of sentence for good conduct, the two men, who have been in jail for nearly a year, could expect to be released early in 1990. They will be eligible for possible earlier release on parole after serving a third of their sentences.

The taxi driver, Mr David Wilkie, was killed when his taxi was struck by a 46lb concrete block pushed by the two striking miners from a bridge as he took a working miner to the pit.

The law lords, in their judgement, are expected to clarify the law on the distinction between murder and man-



Bust fit for a young prince

The sculptor Franta Belsky (above) signing his latest work, a bust of Prince William.

The portrait sculpture marks the fourth generation of eight royal portrait heads completed by Mr Belsky.

The first was of Queen Elizabeth the Queen Mother (right) in 1962, commissioned by Birmingham University. Mr Belsky made a portrait head of the Duke of Edinburgh in 1979, of the Queen in 1982 and of Prince Andrew in 1983.

Prince William's bust will be displayed with those of the Queen and the Duke in the National Portrait Gallery.

Mr Belsky said the Prince had been "extremely lucid as a conversationalist and very grown up" for his three-and-a-half years.

"We got used to each other as I spent a number of hours with him", Mr Belsky added.



Pit rivals aim at bigger union

By Craig Seton

The executive of the break-away Union of Democratic Mineworkers discussed plans to make it the largest union for British pitmen when it met for the first time yesterday.

The union is to hold its first conference of delegates on January 27, possibly on the Isle of Wight when it is expected that plans will be made for its first annual conference and the election by ballot of its senior national and section officials. It will also make a decision on a political levy.

Mr Ken Toon, the former general secretary of the National Union of Mineworkers in South Derbyshire, who is president designate of the

UDM, said after yesterday's meeting: "We have been told before we have even applied that the Labour Party and the TUC are not going to accept us. In my opinion neither the Labour Party nor the TUC can do without us."

Mr Toon said branches of the new union had been established at many pits in the Midlands, particularly in Warwickshire, Staffordshire and Leicestershire and UDM officials were attending meetings throughout the coalfield to talk to miners who were keen to leave the NUM.

The UDM's estimated membership of 40,000 men is made up of former NUM members at pits in Nottinghamshire, South Derbyshire and Warwickshire, and more than

Man 'tried to stop attack'

Anthony Williams, a miner, yesterday told an industrial tribunal in Cardiff how he tried to stop two striking colleagues hurling a concrete block from a bridge, killing David Wilkie, a taxi driver.

Mr Williams, of Ty Coch Rhymney, Mid Glamorgan, said he believed that Dean Hancock and Russell Shankland, both miners, were simply planning to stand on the bridge and shout at the convoy which was taking a working miner to his pit. He is claiming unfair dismissal after his court acquittal against The National Coal Board.

Grant for village security squad

Villagers at Padgate, near Warrington, are to set up a private security squad with a £167,000 grant from the Manpower Services Commission.

It follows repeated vandal attacks on buildings in the area.

NF editor jailed for incitement

The editor of National Front magazine *Bulldog* was jailed yesterday for inciting racial hatred.

Joseph Pearce, aged 24, head of the Front's "education and training" department, was sentenced to 12 months imprisonment for his part in publishing the magazine.

Pearce, of Rugby Gardens, Dagenham, East London, conducted his own defence, in the nine-day trial at Snaresbrook Crown Court.

Pearce pleaded not guilty to publishing written matter likely to stir up racial hatred against black people, Asians, and Jews.

The National Front chairman, Mr Ian Anderson, aged 32, was accused of the same charge after police found more than 550 copies at his home. But Mr Anderson, of Paveons Road, Croydon, Surrey, was cleared after he told the court the seized items were left there by other people.

Kinnock 'rescued' from angry loyalists

From Richard Ford, Belfast

Mr Neil Kinnock was hurriedly driven in a police Land Rover through parts of the Harland and Wolff shipyard yesterday amid fears for his safety as hundreds of "loyalists" protested at his support for the Anglo-Irish agreement.

Several hundred shipyard workers harassed the Labour Party leader as he toured the Belfast yard. They waved placards saying "Ulster says no", and followed him shouting slogans and abuse.

Angry loyalists also blocked a road in the complex with a trailer and other items, although there was no physical attack on Mr Kinnock, at one stage the situation became so threatening that for his own safety police advised he travel by Land Rover to another part of the yard.

After the visit, he was driven away at speed in an armoured car. Both he and the shipyard attempted to play down the protests. Mr Kinnock said on arriving for a meeting with a delegation from the Social Democratic and Labour Party that there had only been a vociferous minority shouting their protests.

He added: "The police view was that it was in the best interest of security and good order to leave the site by another vehicle." He had travelled only about half a mile and was in the Land Rover for two-and-a-half minutes. The ride was not because of any threat, but to ensure no incident built up.

Tebbit's 'jobs' jibe at Labour

By Philip Webster, Political Reporter

Insults continued to fly yesterday in the aftermath of the furious Commons dispute between Mr Norman Tebbit and Mr Neil Kinnock, with the Conservative Party chairman accusing Labour MPs of behaving like a "bunch of yobboes".

Mr Kinnock attacked Mr Tebbit for what he called a "pathetic" performance in the debate on the inner cities, a display he said had deserved and received derision.

The Prime Minister, invited by the 1922 Committee of backbenchers during Commons Question Time to refer to the events of the night before, said that he was sorry that the Opposition could not take Mr Tebbit's cogent remarks.

As tempers and passions cooled after the stand-up dispute between Mr Tebbit and Mr Kinnock, MPs from both sides were reflecting that neither of the two men had done much to improve his reputation.

Some of Mr Tebbit's ministerial colleagues were unhappy at his speech. It was decided that he should speak in the debate because since becoming party chairman he has had few opportunities to make important Commons speeches, and also because the subject matter covered several government departments.

They felt, however, that he made a significant error in launching into his attack on extremists within the Labour Party so early in his speech, before he had dealt with the substance of the debate.

Mr Tebbit was able yesterday quickly to get back on the offensive. In a BBC Radio interview he likened the dispute to town hall meetings where extremists had shouted down other councillors.

He said: "It really was quite a disgraceful scene and I do not think there has been a scene like it in the Commons for a long time when one party decides they will not allow another party to speak."

"You can have a heckle. No one worries about that. But just to shout and scream yab-boo. It became a bunch of yobboes - no better than some of the Militant Tendency people."

Mr John Cunningham, Labour's environment spokesman, said yesterday that Mr Tebbit had made "a parody of a speech". He said: "He was not shouted down. His performance was greeted with ridicule and derision even by his own side of the House."

Mr Teddy Taylor, Conservative MP for Southern East, last night accused Euro- MPs of "acting like a crowd of drunken football hooligans" when Mr Paul Howell, Conservative Euro-MP for Norfolk, was grappled to the ground in a brawl with Labour members of the European Parliament in Strasbourg on Wednesday.

Leading article, page 11

Ban oil tankers to protect Scottish coast, trust says

By Hugh Clayton

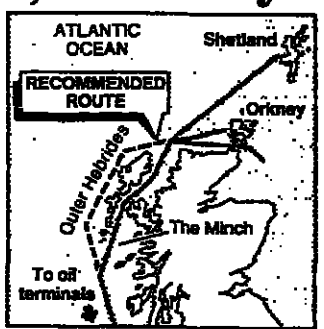
Tanker traffic past Scotland's finest coastline should be banned because of the high risk of a giant oil spill, the Scottish Seaside Trust said yesterday.

The trust said that this is the most lethal environmental threat facing any part of Britain.

Mr Neil Jamieson, chairman of the newly formed trust said in London yesterday.

Unpublished Admiralty figures showed that 1,000 tankers a year were passing through the narrow Little Minch strait between Skye and the Hebrides. The area was strewn with rocks and shoals and visibility was often poor for the giant tankers which needed five miles to slow down and stop before they could drop anchor.

There had been recent accidents with cargo vessels, Mr Jamieson said, and only luck



Heseltine and GEC fail to resolve Nimrod deal

By Rodney Cowton, Defence Correspondent

Talks lasting more than two hours at the Ministry of Defence, with a direct confrontation between Mr Michael Heseltine, Secretary of State for Defence, and Mr James Prior, chairman of GEC, and Lord Westcott, chief executive, failed to produce an agreement yesterday for completing the £900 million Nimrod Airborne Early Warning aircraft project.

The project is running five years behind schedule, and negotiations have been going on since the summer aimed at achieving agreement on a fixed-price contract under which GEC would undertake further development work to bring the aircraft up to an interim standard which would be acceptable to the Royal Air Force.

Yesterday's meeting was a result of the failure of previous attempts at lower levels to bridge the gap. The ministry is thought to have been contemplating paying an additional £100 million for further development work, but GEC's proposals suggested that another three years' work might be needed and the cost could be as much as £430 million.

A Ministry of Defence statement said the meeting had covered not only the Nimrod programme, but also other important GEC contracts.

The statement referred to the meeting as being "initial discussions" on Nimrod and said there would be further talks soon. No final decision had been taken on the basis on which the programme could proceed. Mr Prior and Lord Westcott refused to comment as they left the ministry.

It is understood that despite weeks of negotiation there was not even agreement on some of the basic figures. There is likely to be a further meeting before Christmas, and GEC and Ministry of Defence officials will be working together in the interim to try to produce

Ministers to enter political funds fray

By David Felton, Labour Correspondent

Senior Ministers, worried about possible political influence in Civil Service, are to try to persuade staff in government departments to reject proposals for unions to set up political funds.

A series of speeches from ministers is being planned to alert members of the traditionally non-political Civil Service unions to the "dangers" of voting "yes" in their political fund ballots next year, and departmental heads have been instructed to find ways of frustrating the unions' campaigns.

The first union to ballot will be the 60,000-member Inland Revenue Staff Federation, which represents tax officers, and is to hold its vote toward the end of February. Union officials already have had difficulties with the Inland Revenue management, which has refused the union permission to show a video, made as part of its campaign to secure a "yes" vote, in office canteens or restrooms.

IRSF officials are confident that they will win a majority to support the establishment of a political fund and officials of other unions believe that an affirmative vote will encourage their members to support the union leadership's arguments on the need for Civil Servants to have a political voice.

Union members will be told that support for a political fund would not automatically mean that the unions would affiliate to the Labour Party. The unions will argue that because of the provisions of last year's Trade Union Act they need to set up a political fund to mount campaigns against government cuts.

But ministers will emphasize speeches that votes to support a political fund would lead to a fundamental change in the traditional relationship between the executive and the Civil Service.

They also are expected to highlight that the establishment of a political fund is usually the first step toward affiliation to the Labour Party.

The largest union, the Civil and Public Services Association will lay rule changes before its annual conference in May to enable political fund ballot to take place in autumn. The Civil Service Union, with 35,000 members, already has a conference decision to hold a ballot, but its plans have been delayed after discussions with the Certification Officer for Trade Unions on its ability to hold a vote under its present rules.

Union officials believe that if there is support for a political fund in the IRSF ballot it will encourage members of other unions to fall in line.

The film and broadcasting union, the Association of Cinematograph, Television and Allied Technicians, yesterday became the twenty-fifth union to vote to retain its political fund.

The ACTT members, considered by many to be those most likely to vote to abolish the fund, recorded the largest turnout so far for such ballots with 49 per cent voting.

Commentary

Geoffrey Smith

The Conservatives last had an extended run in office from 1951 to 1964. One of the reasons they lost narrowly then was that the Profumo affair and the property speculation boom combined to create a vague but potent impression of public sleaziness.

This was not a fair judgement on that Government. The two issues were different and neither reflected on any minister's morality, with the exception of Mr Profumo himself. Yet politics can be unfair, and those apparently disconnected developments did together give an extra dimension to the feeling that this was a Government that had served its time.

Now I detect a sudden anxiety among Conservative MPs that the same sort of thing could happen all over again. There is no direct connection between the scandals at Lloyd's, the Johnson Matthey Bank affair and the renewed controversy over the declaration of MPs' financial interests. Nothing that I have seen suggests that the Government has acted improperly.

But once again separate issues could come together in the public mind to create an impression of sleaziness in high places. If that were to happen, the Government would suffer.

How then should the Government and indeed Parliament itself respond? The first requirement is to be, and to be seen to be, sufficiently concerned.

Lloyd's high in MPs' questions

Mrs Thatcher has evidently seized this point. Her anxieties have been made known. These are circumstances in which her inclination to interfere fits the occasion better than Mr Harold Macmillan's contrived air of languor did in 1963. I suspect that Mr Michael Howard, the Parliamentary Under-Secretary at the Department of Trade and Industry, who will be piloting through the Commons the Financial Services Bill that is to be published next week, will find it prudent to resign as an underwriting member of Lloyd's.

It is not implying the slightest wrongdoing on his part. Nor has he been at all furtive about the connection. He has declared it openly in the Register of Members' Interests. But appearances do matter.

He has won high praise in the short time he has held his office, but one of the points on which he is bound to be pressed further is whether Lloyd's should be brought within the scope of the Bill. At a Conservative backbench meeting on last week 14 of the 20 questions related to Lloyd's.

At the moment the Government is resisting that pressure. Whatever view is taken, though, the responsible minister needs to be able to present the case without there being any suspicion, no matter how unjust, that he has a personal axe to grind.

It is rather more difficult to suggest how the right impression can be created for the House of Commons as a whole. The problem is widely recognized.

Register should be compulsory

The House is in danger of looking to the public like a collection of elected consultants for outside interests. But it is not easy to draw the line of restriction in a way that will be both effective and realistic, as will probably be evident when the House debates the question next Tuesday.

At one extreme was Dr David Owen's suggestion on Wednesday that no MP should receive fees for work done outside the Commons. But would such a sharp break with British parliamentary tradition be feasible or desirable?

The members of a full-time House would not necessarily be more independent in their judgement, and they would have to be paid more than seems politically practicable if there were not to be a sudden exodus of many of the brightest MPs.

Yet the present Register of Interests is not a sufficient discipline. At the very least it should be made compulsory. Mr Enoch Powell should no longer be allowed to ignore it. More information should be included, and perhaps there might be restrictions on the speaking and/or voting rights of those who declare an interest.

The best course would be for these issues to be aired in Tuesday's debate, for the Select Committee on Members' Interests then to make a fuller study of them than they have yet done and to report back before the end of this session.

No 22
la collection
Van Cleef & Arpels
Paris

THE NEW WATCH.
From £ 800.-

VAN CLEEF & ARPELS
LONDON
153 NEW BOND STREET.
TEL: 01-4911405 TELEX: 266265

Jury told Miss X was 'problem child' at school

The wife of a private school headmaster facing sex charges said yesterday that the schoolgirl who made the allegations was "a disruptive influence".

Mrs Jennifer Bettsworth added: "She was a problem child and I did not like her."

Her husband, Michael Bettsworth, aged 42, who has three children, has pleaded not guilty at Bodmin Crown Court, Cornwall, to having unlawful sexual intercourse with Miss X when she was 14 and 15.

He has also denied indecently assaulting her and the jury has been directed to return a not guilty verdict on a charge of indecent assault against another girl, aged 15, which Mr Bettsworth denied.

A letter from the Bishop of Truro, the Rt Rev Peter Mumford, was read to the jury. He praised the "courage, determination and self-sacrifice" of Mr Bettsworth in building up the school.

"He is admirably supported by his wife and this is a happy relationship for all to see," the letter said.

The hearing continues today.

Cyprus secrets investigator denies brutality

An RAF investigator yesterday denied using brutal and aggressive methods to get confessions from four servicemen in the Cyprus secrets case.

Warrant Officer Alan Beynon admitted using some "verbal trickery" but said all information had been lawfully extracted.

"At no time was any suspect threatened or physically abused," he told the inquiry into the way the eight men - all acquitted of spying after a £4.5 million Old Bailey trial - were questioned.

Serious allegations had been made about the techniques used by the investigators, he added. But his tactics had at all times been reasonable and followed detailed briefings with his superiors.

RAF Security Service chief, Wing Commander Clive Leomont, admitted that the men were charged with "cannabis misuse" to enable them to be held for a longer period of time.

Body 'thought to be doll'

A neighbour searching for a missing child at first thought her body was a doll, the Central Criminal Court was told yesterday.

Leonie Darnley, aged seven, disappeared near her home in Battersea, south-west London. That night neighbours found her body in the basement of her

home with her throat cut.

Miss Ann Goddard, QC, for the prosecution, has alleged that her murderer was Patrick Reilly, aged 24, of Tufnell Park, north London, and that ginger hairs from him were found in the girl's curly hair and on a blanket near by. He denies murder.

Under clear
murdering
effective in
bits of hot

aged offic
arked terror

Spotlight

'I was fighting for my life'

Builder cleared of murdering detective in grounds of house

By Michael Horsnell

Kenneth Noye, millionaire builder and property dealer, was yesterday cleared of the murder of John Fordham, the under cover detective who was killed to death during a Scotland Yard investigation into the £26 million Brinks Mat robbery at Heathrow Airport.

The jury at the Central Criminal Court took more than 12 hours to announce a verdict acquitting both Mr Noye, aged 37, and the man accused with him, Brian Reader, aged 45.

Both were then returned to their cells to await trial next year, with nine others for disquieting handling stolen goods. They were committed for trial last July.

But before leaving the dock Mr Noye turned to the seven man, five woman jury and said: "May God bless you for ever because that is what I am not guilty."

Det Constable Fordham, who was in camouflage kit and balaclava helmet at the van-guard of a Flying Squad raid, was stabbed 10 times while on an undercover operation inside Mr Noye's 26-acre estate at Hollywood Cottage, West Kingsdown.

With senior officers about to execute a search warrant on the premises Constable Fordham and his colleagues Det Constable Neil Murphy, were ordered into Mr Noye's electronically guarded grounds ahead of other men. But they were spotted by Mr Noye's retinue of dogs which barked and alerted Mr Noye and Mr Reader.

Mr Noye, who admitted dealing in illegal gold but denied it was part of the Brinks Mat haul, told the court that when he went out to investigate the noise he came across a grotesque figure who attacked him with a stinging blow across the eye.

Mr Noye told the court he was carrying a knife by chance and repeatedly stabbed the camouflaged figure in blind panic, believing the man was armed. "I was fighting for my life," he said.

Not once, according to Mr Noye, did Constable Fordham say he was a police officer though as he lay on the ground he did allegedly say he was a Special Air Service Regiment man on manoeuvres.

Camouflaged officer who sparked terror

By Our Crime Reporter

Mr Kenneth Noye was acquitted of murdering Det Constable John Fordham at the end of the trial in which his claim to have been justified in stabbing the policeman out of self-defence was accepted.

The jury of seven men and five women - there were no challenges to potential jurors at the start of the trial by defence counsel - also accepted the defence argument for Mr Brian Reader that there was no evidence to show he had taken part in the murder.

The case put for Mr Noye by Mr John Mathew, QC, a senior criminal lawyer, was that Constable Fordham was dressed in camouflage kit and balaclava - seen by the light of a torch in the grounds of Mr Noye's home at West Kingsdown he would have and did strike terror into anyone.



Mr Noye (left) and DC Fordham, who was stabbed to death.

Unwelcome spotlight on secret branch

By Our Crime Reporter

John Fordham worked for one of Scotland Yard's most sensitive and secret detective operations, the Criminal Intelligence Branch, CIB, which earlier this year celebrated its twenty-fifth birthday. In keeping with its shadowy profile, there was little or no public acknowledgement.

Officers such as Det Constable Fordham rarely give evidence in court, but provide the background material on which cases can be mounted. They have become the successors to the post-war "Ghost Squad", used by the Yard to infiltrate London's underworld.

With a background in specialized surveillance training and a variety of technical equipment

at their call the CIB observation teams are primarily directed at leading criminal suspects or incidents.

The remit for the branch covers both intelligence and surveillance work, linked to the criminal intelligence group in the late 1970s. The branch has three sections: information gathering; technical equipment; and the Yard's Central Drugs Intelligence Unit.

Although a small branch, CIB's work is wide ranging. The surveillance teams will work from Yard squads such as the Flying Squad and Anti-Terrorist Branch, three regional crime squads in and around London, and senior detectives in the London police areas.

Fordham's widow deplores verdict

Hours after the acquittal, Mrs Ann Fordham told a press conference in London that she disagreed with the verdict.

Supported by her son, John, aged 22, who held her hand throughout the short conference, Mrs Fordham added: "It has been a traumatic ordeal, not just for me and my family, but my husband's family and relatives."

After her press conference, the Assistant Police Commissioner, Mr John Dellow, and the Deputy Assistant Commissioner, Mr Brian Worth, defended the undercover operation in which PC Fordham lost his life. Mr Dellow said there would not be an inquiry into the way the operation was carried out.

He said: "I am satisfied the operation was as professional and properly conducted as could be with the evidence before me."

Mr Dellow, praising the bravery and professionalism of PC Fordham, said: "His professionalism was his hallmark. He was engaged in many other operations against very dangerous professional criminals."

He always faced his duties, and there are many citizens alive in London today who owe their lives to John Fordham."

He had met his death violently and tragically in the execution of his duty. Mr Dellow said John Fordham will be long remembered by his colleagues and sadly missed.

When asked whether PC Fordham was dressed appropriately for the undercover operation, and whether he should have been warned, Mr Dellow said that he was appropriately dressed for the cold weather and the duty he was carrying out.

Mr Dellow said he was satisfied the decisions taken on that night by the police were the right ones. He said there is no reason to question those decisions. "I have no intention of holding an inquiry at this stage," he said.

At the centre of the operation was the recovery of the Brinks Mat gold which Det Chief Supt. Brian Boyce, who was in charge of the surveillance operation, told the court he believed to be hidden on Mr Noye's premises.

Mr Boyce said he delegated the decision when to execute a search warrant to local controllers and emphasized that until the night of Constable Fordham's death the surveillance of Mr Noye's property had been carried out from outside it.

Mr Nicholas Purnell, for prosecution, said after the verdict that both men were to remain in custody until their trial on handling stolen goods.



Mrs Ann Fordham yesterday.

Detective had 'onion field' breakdown

Detective Constable Neil Murphy, partner of Detective Constable Fordham in the surveillance operation that went tragically wrong, went through his own ordeal afterwards, police sources said yesterday. He became so obsessed with the fact that his colleague had died while he escaped that he suffered a nervous breakdown. But after psychiatric treatment he recovered and is now fit and back in his old job with Scotland Yard's CIB surveillance group.

"Murphy did not desert his partner," a Scotland Yard colleague said. "He behaved exactly as he was trained to do - getting away to bring assistance. He is back on normal duties and very highly thought of by his senior officers."

Doctors who examined Murphy, a bachelor, concluded he was suffering from Onion Fields Syndrome, named after a case in California in 1963. There, two policemen were disarmed by two suspects they had stopped and were taken into an onion field where one was killed with his own gun. The other officer escaped but later suffered a severe breakdown after being criticized for allegedly deserting his colleague.

In the main their targets are, often selected from a group of about 60,000 active London criminals, of which 130 are "top class" criminals, 2,500 secondary figures and the rest associates or lesser individuals.

In recent years the Yard has developed a system of "targeting" suspects linked to long-term big crime or associated with a particular incident such as the £26 million Brinks Mat robbery.

Once the target is chosen and agreed by senior officers, CIB's surveillance officers start work. Their training and operations are assiduously protected from criminal gaze; Constable Fordham's death has, ironically, lifted a little of the secrecy.



Mrs Jennifer Taylor (left), aged 52, widow of Mr Eric Taylor, chairman of the Conservative Party in the north-west, and June Whitfield, the actress, aged 59, holding their insignia of the OBE outside Buckingham Palace yesterday.



Hostage in £200,000 armed raid

Three armed robbers escaped yesterday with £200,000 after holding the occupants of a house in Stackfield, Harlow, Essex, hostage overnight.

They took a hostage, Mr Joe Symes, aged 60, the manager of the Arms-Guard security firm's branch in Harlow, to his office early yesterday then left him and two other employees locked inside the building.

Essex police said the robbers armed with guns planted a suspected explosive device in a car parked outside the firm in The Pinnacles, Harlow, before leaving.

Food additives under fire

By John Young, Agriculture Correspondent

"We know more about what goes into a pair of socks than about what goes into our food," Mr Jonathan Aitken, Conservative MP for Thanet South, said yesterday.

Mr Aitken was speaking at the launch, at the House of Commons, of a campaign to restrict the use of food additives, to oblige the Government and the food industry to provide more information, and to encourage greater research into allergic reactions and diet-related diseases.

The campaign has all party support and involves a wide range of groups including the Campaign for Freedom of Information, the National

Federation of Women's Institutes, trade unions, Friends of the Earth, the Soil Association, the London Food Commission and the Asthma Research Council.

Under the umbrella title of Fact, the Food Additives Campaign Team, they are demanding in particular that the Official Secrets Act should no longer be used to protect the work of committees advising the Government on the use of additives.

Mr Aitken said yesterday that, as a long time opponent of further extensions of the Act, he thought it was quite wrong that the criminal law should be used to prevent the disclosure

of matters of such evident public concern.

But he would go further in saying that the subject of food additives and their safety should not even be covered by the rules of commercial confidentiality.

"After all, this is our food and our diet," he said.

A "manifesto" issued by the campaign states that nobody knows how many people in Britain are harmed in the short or long term by additives or by contaminants in food, and notes that the issue has never been the subject of a royal commission, a public inquiry or recent parliamentary debate.

Snoring 'a cause of brain damage'

By Thomson Prentice Science Correspondent

Heavy snoring can cause permanent brain damage and may even be a potential killer, a leading researcher said yesterday.

Dr James Horne, director of the sleep laboratory at Loughborough University, also warned snorers not to drink alcohol before bedtime. Such nightmares can be dangerous, he said.

Dr Horne said that very heavy snoring could make the upper airway at the back of the throat collapse, "throttling" the sleeper.

That condition, called obstructive sleep apnoea, could lead to high blood pressure, heart failure and accidents caused by sleepiness during the daytime, he said. "Snoring can thus become a potential killer."

In an article in *New Scientist*, Dr Horne said that the sufferers remained asleep while struggling to breathe, but tried to regain their breath with great heaving of the chest.

"These attempts only make matters worse. Trying to breathe against a 'gag' causes abnormal changes to air pressure in the lungs and impairs the flow of blood within the chest, heart and lungs."

"Blood pressure soars and the heart starts to beat irregularly, and levels of oxygen in the blood fall, further affecting the heart."

That could be a fatal moment for people with advanced heart disease, Dr Horne said.

'Sleeper' moved

Mr Vladimir Leontev, who has been accused of feigning unconsciousness in a Hertfordshire hospital, was taken by ambulance yesterday to Dover and taken on board a ferry sailing to Calais.

Britain's tunnel vision

"The French, polite and accomplished though they may be, are quite near enough to England," is how one citizen curtly dismissed the idea of a Channel tunnel in 1896.

In this Friday's *Spectator*, Gavin Stamp questions the renewed enthusiasm for getting closer to France.

Why has there been no public inquiry? Whether we get bridge or tunnel, rail or road, or a bit of both, will we really want it?

Half a dozen ports will be ruined, half of Kent concreted, and all, Stamp suggests, merely to gratify a neo-Victorian megalomania.

At present the Government seems set on a fixed link, choosing between four different schemes. Stamp proposes a fifth - no tunnel at all.

"Any party that came out against

the tunnel would, I am sure, win votes. Especially when it is realised that a fixed link may well put paid to duty-free drink."

A sobering thought.

Would you sadly relinquish the sea-traveller's delight at seeing Dover's looming White Cliffs? Perhaps you too wish to see England remain an island.

Alongside Gavin Stamp you will find columns by Auberon Waugh, Peregrine Worsthorne, Paul Johnson and Ferdinand Mount, as well as Peter Quennell's memories of Robert Graves and Richard West's strange encounter with Graham Greene.

The *Spectator*: definitely the light at the end of this week's tunnel. And for less than a pound.

THE SPECTATOR

Government sticking to target of lower inflation

THE ECONOMY

Prospects of a lower oil price than assumed in the autumn statement meant that scope for tax cuts next year would be correspondingly diminished, Mr Nigel Lawson, Chancellor of the Exchequer, indicated when opening the Commons debate on recent autumn statement.

But he thought it unlikely oil prices would fall so suddenly as to cause serious disruption and dislocation to the world economy and, short of that, there was no threat to the British economy.

Whether there would be scope for reductions in taxation in next year's Budget and if so by how much, was particularly uncertain at the present moment. But when they did come, he would be permanent.

He moved a Government motion that the House approved the autumn statement.

Mr Lawson said that in the months since the statement, inflation had fallen to an annual rate of 5½ per cent, as he had predicted, and last week's figures appeared to confirm that the long and seemingly inexorable rise in unemployment had at last come to an end.

He was sorry the Treasury and Civil Service Select Committee did not endorse his decision not to include the fiscal adjustment and revenue forecasts in the autumn statement. Developments in the oil market vindicated this decision.

The dust has not settled on that yet (he added) and it is too soon to form a view of the likely level of oil prices over the coming year. But insofar as the prospect now is for a lower oil price than was assumed at

the time of the autumn statement, it follows that, other things being equal, tax revenue in 1986-87 will be correspondingly lower and the scope for tax reduction in next year's Budget correspondingly diminished. The House and the country should be in no doubt about that.

But while it is possible to conceive of a sudden fall in the oil price so great as to cause serious disruption and dislocation to the entire world economy, I find that prospect as unlikely as it is undesirable. And, short of that, there is no threat to the British economy. He pointed out that Britain was a substantial net exporter of oil, and as a substantial producer so what it stood to lose on the swings, it gained on the roundabouts.

We recalled a similar situation three years ago when he was Secretary of State for Energy. He had explained to eminent Opec oil ministers how Britain maintained the free oil province in the world and would not curb its oil production. That remained the position today and there was no way round it, not even by the back door. As it happens (he went on) United Kingdom oil production is now at its peak and from now on is likely to be on a gradually declining path, but the fact remains that there is no way in which the UK will become a country member of Opec.

Privatization was a policy which was justified on its own merits, was successful, popular, and at the same time enabling the Government to bring about a great leap forward in wider share ownership, not least among the employees of the companies concerned. They would be continuing it for many years to

come, throughout this Parliament and the next.

Only today more than 200,000 investors had been allocated shares in Cable and Wireless, and thousands of this massive public offer had gone to those who applied for up to 1,000 shares.

When, some time in the 1990s, the privatization programme came to successful conclusion, with the vast bulk of what was once that state sector of industry in the free enterprise sector, it might well be right to permit an offsetting increase in the public sector borrowing requirement.

He was confident that inflation would continue to subside. No one seriously doubted it. The Government would stick to its strategy to ensure that it happened.

And, as the Prime Minister said, they would take no action, on taxes or on interest rates, to put this paramount objective at risk.

Mr Hattersley would not doubt the performance of manufacturing industry. He would argue that, even though output as a whole was well up, manufacturing output was still lower than it was when the present Government came into office.

It was true that since the first half of 1979 manufacturing output had fallen by 5½ per cent, but this was scarcely new. Between the second half of 1973 and the first half of 1979 manufacturing output fell by 4½ per cent. Not much difference.

Manufacturing industry was in a much stronger position from which it could compete in world markets. Its profits were back to levels last seen before the first oil price shock in 1973. The Government wanted to see manufacturing industry

had been no privatization at all and the proceeds had been replaced by additional borrowing. In short, however you look at it, the Government's fiscal stance is prudent and will remain prudent.

It is hard to imagine a greater contrast with the profligate and irresponsible spending and borrowing plans of the Opposition.

When tax cuts did come they would come as a result of the Government's continued success in keeping public expenditure under control, and they would be permanent.

He was confident that inflation would continue to subside. No one seriously doubted it. The Government would stick to its strategy to ensure that it happened.

And, as the Prime Minister said, they would take no action, on taxes or on interest rates, to put this paramount objective at risk.

Mr Hattersley would not doubt the performance of manufacturing industry. He would argue that, even though output as a whole was well up, manufacturing output was still lower than it was when the present Government came into office.

It was true that since the first half of 1979 manufacturing output had fallen by 5½ per cent, but this was scarcely new. Between the second half of 1973 and the first half of 1979 manufacturing output fell by 4½ per cent. Not much difference.

Manufacturing industry was in a much stronger position from which it could compete in world markets. Its profits were back to levels last seen before the first oil price shock in 1973. The Government wanted to see manufacturing industry

success and it had created the conditions for it to do so.

Manufacturing productivity had risen by nearly 25 per cent since the Government came to office. In the previous six years it had risen by a meagre 4 per cent.

Since the 1983 general election total output had risen by 3 per cent a year; manufacturing output had risen by 3½ per cent a year; inflation had averaged 5 per cent; and manufacturing productivity had risen by more than 4 per cent a year.

Profitability was up; taxes had been reduced; public expenditure had fallen as a percentage of GDP; Government borrowing had been cut; and the number of people in work had risen by 600,000. They were poised to continue that performance up to and beyond the next election.

It appeared from the most recent figures that the long rise in unemployment had come to an end.

He was sorry Mr Hattersley suffered such visible anguish at having to acknowledge that the economy was growing strongly. He deeply regretted Mr Hattersley had had to eat his words about inflation rising to double figures.

Labour based its philosophy on the belief that the British people could not prosper without more state direction, ownership and spending and higher taxation and believed the desire to own property or spend your own money was essentially immoral. Labour was degrading the achievements and aspirations of the British people.

The autumn statement (he said) is a record of achievement by the British people, assisted by a Government that works with the grain of the nation not against it, and of popular aspirations towards ownership and independence being steadily fulfilled. The good news it contains has been widely welcomed by all who wish this country well.

Mr Roy Hattersley, chief Opposition spokesman on Treasury and economic affairs, moved an amendment declining to approve the autumn statement because it further damaged the interests of manufacturing industry; made no proposals for a substantial reduction in unemployment; neglected necessary public sector investment; and was based on the sale of national assets for the primary purpose of raising revenue to provide temporary finance for cuts in income tax.

He said they were once again going through what could best be described as the annual Lawson cycle. It began in November with

the announcement that the economy was set for tax cuts and a reduction in unemployment. This year the upswing in brag and boast had been particularly pronounced.

In the second phase of the cycle more objective observers questioned the Chancellor's claims and his veracity. This year *The Daily Telegraph* called the autumn statement a combination of dodgy accounting and electoral cynicism.

The third stage of the cycle was when the Chancellor turned on his critics and abused them for being prejudiced, ignorant or both. The fourth cycle was when the critics were proved to have been right in their assessment of his policies.

The Chancellor seemed really to believe in the free float, even when it turned into the free sink. That was why the Prime Minister determined yesterday (Wednesday) not to let him talk down the pound again and intervene by announcing it was her intention to keep interest rates and the pound high at the same time.

Her intervention was largely unnecessary as the free float was formally buried at the New York-G5 meeting when the Chancellor had to make humiliating recantation of his old belief.

The Chancellor had made clear that he would make sure that whatever the consequences, the exchange rate would be kept at a level he thought right to hold down inflation. That was why the Prime Minister was wrong to lose it. He was going to make a quite different mistake from the one he made last year, although it would result in the pound being at a high level of interest rates.

The Government had made an "O" turn. It had gone round in a circle and arrived back at the same place.

Labour's intention had been, was, and would be, in government to have an economic policy which, while it had proper respect for monetary control, did not believe that this was the only thing that mattered.

The policy of controlling inflation by an over-valued pound supported by high interest rates was bound to do long-term damage to the interests of the economy. The Government nevertheless proposed such a policy, wilfully and knowingly, in the hope of achieving a brief political advantage.

Even before the general election all that mattered to the Government was that it determined policy was the voters it believed might be per-

suaded to rally to its cause. That was why the unemployed had been written off since the Government was elected and in terms of the autumn statement.

I have no doubt (he said) that even on the Government's own figures, the massaged and manipulated figures, there will be three million men and women out of work on general election day.

The Government believed it could buy the British people, the votes, by temporary tax cuts. It was wrong. The people did not want tax cuts regardless of the penalties in terms of jobs, public services or help for the worse off. They knew tax cuts helped only part of the population. When the tax cuts came, as he had no doubt they would, they would be unsustainable because whether the Chancellor admitted it or not they were to be financed by the proceeds from the sale of assets.

The tax cuts were supposed to be the electoral trump card. The Government would gladly sacrifice the long-term national interest and divide the nation by revealing some while sacrificing others, penalizing the poor.

Mr Terence Higgins (Worthing, C) said the select committee believed that the money involved in the sale of national assets should not be regarded as revenue but as a means of financing the PSBR. He still believed that.

If that were so, the Government had no more scope for cutting taxes in the next Budget than it would have if it were to borrow money and finance that by the sale of gifts.

There had been a general change with planned public expenditure, going up since the last Budget. The Government's policy should be explained better so that there was less dangerous speculation.

Mr Robert Sheldon (Ashton-under-Lyne, Lab) said a major objective of this Government was the preservation of its one success - the reduction of inflation. The problem was that it was listening more to the City than to manufacturing.

The City of London was near, wealthy, had friends in Whitehall and Westminster, knew what doors to knock on and spoke the same language, while industry was distant and diverse.

As a result (he added) we have a high pound, freedom from exchange control, sales of Government assets at low prices, and the City chucks up more multi-millionaires while manufacturing industry languishes.

Allegations of fraud a matter for DPP

THE CITY

If there had been fraud in the City, no one was more anxious than the Government that it should be tracked down and those responsible for it convicted and sentenced, Mrs Margaret Thatcher, the Prime Minister, said during Commons questions when asked about Johnson Matthey Bankers.

It was a matter for the Director of Public Prosecutions to decide whether to bring a fraud case and it was vital the decision should not be made by politicians, she said. We do everything possible to see resources are available and inquiries like that of Lord Justice Roskill are put into action. We hope to have his report and publish it fairly soon.

She was replying to Mr Jack Ashley (Stoke on Trent South, Lab) who asked: Is it not time for the Prime Minister to stop prevaricating about fraud in the City of London, especially in the Bank of England has just admitted that Johnson Matthey Bankers were involved in fraud?

Will she take this opportunity to adopt the words of the previous Prime Minister (Mr Edward Heath) when he condemned the unpleasant and unacceptable face of capitalism and to insist on the unacceptable face of the City.

Mr Ashley (Stoke on Trent South, Lab) said a major objective of this Government was the preservation of its one success - the reduction of inflation. The problem was that it was listening more to the City than to manufacturing.

The City of London was near, wealthy, had friends in Whitehall and Westminster, knew what doors to knock on and spoke the same language, while industry was distant and diverse.

As a result (he added) we have a high pound, freedom from exchange control, sales of Government assets at low prices, and the City chucks up more multi-millionaires while manufacturing industry languishes.

Mr Robert Sheldon (Ashton-under-Lyne, Lab) said a major objective of this Government was the preservation of its one success - the reduction of inflation. The problem was that it was listening more to the City than to manufacturing.

The City of London was near, wealthy, had friends in Whitehall and Westminster, knew what doors to knock on and spoke the same language, while industry was distant and diverse.

As a result (he added) we have a high pound, freedom from exchange control, sales of Government assets at low prices, and the City chucks up more multi-millionaires while manufacturing industry languishes.

Mr Christopher Smith (Islington South and Finsbury, Lab): The reply to Mr Ashley will be extremely worrying to many people who are concerned about the apparent lack of concern and action by the Government on fraud in the City.

Will she give a specific commitment that the Government will bring forward proposals in the Financial Services Bill to improve regulation of the City and Lloyd's?

Mrs Thatcher: This Government had done a great deal to improve the facilities available to fight fraud. It was this Government which set up the Fraud Squad, the Financial Services Bill and the Roskill Commission to consider the future of juries in relation to fraud matters.

We shall continue to do all we can to see that those guilty of fraud are brought to justice.

Later, Mr Roy Hattersley, deputy leader of the Opposition, and others used the occasion to raise business to call for an early debate on financial issues.

Mr Hattersley wanted a general debate on the conduct and character of the City of London and a full statement of the Government's position on issues which went far wider than the Financial Services Bill.

Mr John Biffen, Lord Privy Seal and Leader of the House, said there would be a debate on the second reading of the Bill and there could possibly be a wider general debate and that could be considered by party business.

Replying to Sir William Clark (Croydon South, C), Mr Biffen said he very much hoped it would be possible to publish the Bill before the Christmas recess and to have a debate early after the recess.

Mr David Nellist (Covey South East, Lab) described JMB and Lloyd's as gambling empires and wanted the Government to take action in pursuing them had nothing to do with the fact that one in eight Conservative MPs was a member of the gambling syndicates, Lloyd's.

Mr Biffen said he hoped the debate could be conducted at a higher level than such low-grade McCarthyism.

Next week's business

The main business in the House of Commons next week will be: Monday: Debate on private Member's motion on scientific research. Peterhead Harbours (South Bay Development) Order Confirmation Bill, second reading.

Tuesday: Debate on overseas aid. Debate on MF's interests. Wednesday: Motion for Christmas Adjournment. Proceedings on Consolidated Fund Bill.

Thursday: Building Societies Bill, second reading. Friday: Christmas adjournment debate.

The main business in the House of Lords will be: Monday: Shops Bill, committee, first day.

Tuesday: Shops Bill, committee, second day. Wednesday: Debates on education and on aid to Africa.

Thursday: Atomic Energy Authority Bill, third reading. Northern Ireland (Loans) Bill, second reading.

Severn Bridge toll plea

Mr Barry Jones, Chief Opposition spokesman on Wales, failed in an attempt to get an emergency debate on the High Court judgment that the recently increased tolls on the Severn Bridge for lorries and cars were unlawful.

He said tens of thousands of people in Wales had paid increases of up to 150 per cent and wanted to know if they would be recompensed.

Parliament today: Commons (9.30): Debate on private Member's motion on scientific research. 1986. Lords (11): Consolidated Fund Bill, third reading. Debates on Channel fixed link.

PM refuses to 'talk sterling down'

In response to a complaint by Dr David Owen, leader of the Social Democrats, that she was continuing to defend a wholly unrealistic exchange rate, Mrs Thatcher, the Prime Minister, retorted in the Commons that she was sorry Dr Owen wanted to talk sterling down. "I do not; I will not; I wish it to stay strong," she declared.

Mr Roy Hattersley, Deputy Leader of the Opposition, who tackled the Prime Minister about the prospect of tax cuts, felt that the Prime Minister had been saying that such cuts were by no means certain.

Dr Owen said that by continuing to

defend the unrealistic exchange rate, Mrs Thatcher was putting British manufacturing in a position as if it were in 1980-81 and was risking the loss of a great part of Britain's industrial capacity.

Mrs Thatcher pointed out that were the exchange rate to go down the cost of raw materials would go up and that would have a very damaging effect on British industry and next year's costs.

Mr Hattersley: Last night, the Prime Minister publicly speculated about the prospect of tax cuts. Will she confirm that if the Government

expect to receive £4.75 billion next year from the sale of British Gas and other assets, the proposed tax cuts will be wholly financed by the sale of those resources?

Mrs Thatcher: I indicated that tax cuts must be secondary to holding down inflation and that now is not the time to decide whether there are any.

I pointed out, on the proceeds of privatization, that even if there were none and one treated the same amount as being borrowed, then during the year the total amount of borrowing as a proportion of national income would be the lowest for 14 years.

Mr Hattersley: If the Prime Minister is saying, as she seems to be, that tax cuts next year are by no means certain, would she therefore admit that with an income of £4.75 billion from the sale of revenue, were it not for selling off British Gas and other assets there would be tax increases next year, not tax cuts? (Labour cheers)

Mrs Thatcher: I have never heard Mr Hattersley work so hard. Even if one treats the sales from privatization as borrowings, then the PSBR this year will be the lowest since 1971-72 as a proportion of national income.

Mr Roy Hattersley, chief Opposition spokesman on Treasury and economic affairs, moved an amendment declining to approve the autumn statement because it further damaged the interests of manufacturing industry; made no proposals for a substantial reduction in unemployment; neglected necessary public sector investment; and was based on the sale of national assets for the primary purpose of raising revenue to provide temporary finance for cuts in income tax.

He said they were once again going through what could best be described as the annual Lawson cycle. It began in November with

King dismisses wild rumours on accord

ULSTER

Wild rumours and exaggerated stories about the Anglo-Irish agreement and the first meeting of joint ministerial conferences were dismissed by Mr Tom King, Secretary of State for Northern Ireland, during prolonged question time exchanges in the Commons about the agreement, exchanges in which none of the Ulster MPs present took part.

He repeated yet again his belief that acceptance of the principle of consent by both the British and Irish Governments was an important development which should give considerable reassurance in those quarters where there had been concern that the agreement in some way presaged a slippery slope to a united Ireland. He had given his judgement that he did not think consent would ever be forthcoming.

Mr Dennis Canavan (Falkirk, West Lab) took the view that possibly the only good that could come out of the agreement was if the good people of South Down got themselves a new MP. If the present MP (Mr Enoch Powell) had the guts to resign.

Mr Iwan Stanbrook (Orkney, C) asked for how long the agreement last so long as the majority of the people concerned refuse to give it their consent?

Mr King: I obviously hope, while there have been some very wild rumours about some of the implications of this agreement, it will be understood that while opportunities will be provided for the majority views to be heard, there is no question that the majority views will not be taken into account as well.

I hope there will be real benefits for the majority community. If we can get enhanced cooperation on security as a whole, I hope there will be increasing acceptance of this agreement.

Mr Alfred Debs (Battersea, Lab): If the success is to be ensured it would be better not to put excessive concentration on security matters to the exclusion of all else, which is how it is seen by the press here.

Mr King: I am sure there is some indication of how this House can be of influence in what is discussed at these meetings?

Mr King: The purpose of this agreement is to seek enhanced peace and reconciliation. One of the ways we can help with the problems is to tackle terrorism. Those who have seen the recent outrages will understand what I mean. It is an important objective and we also wish to achieve more reconciliation to help isolate the men of violence.

I will be willing to enter into discussions on ways in which proper community relations can be established.

Mr Nicholas Baker (North Dorset, C): Many of us who support the Ulsterist side from this side believe this agreement is the best way

forward both in political and security terms. The best way to convince the Unionists is to pursue a joint enhancement of security first.

Mr King: He is right. I am anxious to seek ways in which allegations of security and lack of communications with the majority can be defeated. If I am met with a refusal to talk, which existed before any agreement, it is difficult to establish better communications.

Sir John Biggs-Davison (Epping Forest, C): He does himself and the Government a great injustice in suggesting that only now because a minister of the Republic is installed in the inner councils of Northern Ireland, the voice of the minority can be heard. The Government has been trying to listen to the minority for years and trying to help them.

In this dangerous situation, the morale of the RUC is all important. Can Mr King assure me that no code of conduct was agreed with another government, having regard to the splendid record of the RUC in hunting down so-called Loyalist murder gangs and acting in an unsectarian and proper fashion?

Mr King: Of course governments have tried. I think the query and concern would be as to whether we have managed to achieve the confidence that is necessary for reconciliation.

The code of conduct is entirely a matter for the Chief Constable. It is well known that the Metropolitan Police have introduced a code of conduct, and that other UK police forces are doing so.

It was made clear in the communiqué that the Chief Constable advised the conference that he had for some time been preparing a code and would introduce it as soon as possible. I was interested to hear this from the Chief Constable. I think it is entirely in line with developments in UK police forces.

Mr Peter Archer, chief Opposition spokesman on Northern Ireland: Will the code of conduct be made public?

Mr King: That is a matter for the police authority. I do not have thought it very desirable indeed. It is a matter for them but I would assume it would be made public.

Later Mr Nicholas Scott, Under Secretary of State for Northern Ireland, said the Government deplored the decision of Unionist representatives not to communicate with Northern Ireland ministers in protest of the Anglo-Irish agreement. Their decision could not serve the interests of the majority community.

We deeply regret (he added) the Unionist representatives are not making use of the channels open to them to communicate their views to this Government. We will persist in our attempts to persuade them to do so.

Unionists ignore King

Official Ulster Unionist MPs sat silent during the 40 minutes of Northern Ireland questions and Mr James McCusker (Upper Ban, DUP) waited until the Prime Minister arrived to ask her about violence in Northern Ireland and the incitement by certain loyalist MPs of this House.

Mr McCusker asked: Has Mrs Thatcher yet had a chance to consider the carefully planned words in the communiqué which preceded the announcement that the Irish Republic has already taken action on security on the border where it said: "Taking these measures is a precaution and a reassurance, with no acceptance of the need to take action against terrorists. What did they mean? Who were they trying to reassure? Who were they taking precautions against?"

Mrs Thatcher replied: The intergovernmental conference was a good start to the Anglo-Irish accord. Both

sides are trying to do everything they can to improve security and I hope that Mr McCusker will look at matters in that spirit.

Mr Patrick Duffy (Steelefield, Ayrshire, Lab): I refer her to mob violence in Northern Ireland and the incitement by certain loyalist MPs of this House.

What steps will she take, if necessary, to keep Northern Ireland governable?

Mrs Thatcher: I hope we shall give the new agreement a chance and say nothing which influences opinion in Northern Ireland.

The Secretary of State (Mr Tom King) will take all steps possible to maintain law and order and try to fight terrorism. As a result of the agreement, welcome steps on security will be taken. The greatest thing is to give the agreement a chance.

Dixons PORTABLE VIDEO PRICE SENSATION

MASSIVE £150 SAVING

PLUS FREE SINCLAIR POCKET TV

Buy the superb JVC GR-C1 Portable Outfit at Dixons now and we'll give you a black and white SINCLAIR MINIATURE POCKET TV absolutely FREE! It's an incredible offer! Don't miss it! Dixons! Limited Price **£99.99**

COLOUR AND SOUND

JVC's superb technology gives you bright sharp pictures and colour and sound recording!

INSTANT-PLAYBACK VIEWFINDER

Simply point the viewfinder at the scene you want to see - the sequence you've just shot - immediately - in the viewfinder itself. That makes possible on-the-spot editing.

TRULY PORTABLE

JVC's outstanding new ultra-compact design gives you an exceptionally lightweight and eminently take-anywhere all-in-one system.

JVC 'C' FORMAT CAMCORDER

A combined video camera and video recorder which is ultra-compact and lightweight. Featuring an electronic viewfinder and 6-1 power zoom lens with macro focusing. Dixons Usual Price £1129

FANTASTIC SOUND AND COLOUR

With the GR-C1 you can shoot in superb, bright, realistic colour and vivid sound. The system is so sensitive it allows you to film even in quite low-light conditions.

NO FUSS, NO WAITING

Unlike old-fashioned home movies, you don't have to wait for film to be processed - you see the results within minutes!

SCREEN YOUR MOVIES ON YOUR OWN TV

Spend the day out at the seas or the fair, get home in the evening and show a film of the occasion simply by connecting your JVC directly to your TV!

COMPLETE OUTFIT - READY TO SHOOT

Become the proud owner of a JVC GR-C1 at Dixons today and you get a complete outfit including EC30 video tape, a Charger, Battery, Connectors, VHS Adaptor and shoulder strap - all in a smart carry case!

SONY Autofocus Camcorder Outfit

Sony's Video 8 outfit now with special Autofocus! Includes standard VHS cassette, instant-look-in viewfinder, Power zoom lens. Also included - battery, adaptors and carry case. Model: CCD V8AF. Dixons Deal **£149**

PANASONIC Camcorder Outfit

The compact VHS cassette outfit, packed in the pack is EC30 video tape, a Charger, Battery, Connectors, VHS Adaptor, shoulder strap, carry case. Model: GR-C2. Dixons Deal **£149**

JVC Autofocus Camcorder Outfit

The compact VHS cassette outfit, packed in the pack is EC30 video tape, a Charger, Battery, Connectors, VHS Adaptor, shoulder strap, carry case. Model: GR-C2. Dixons Deal **£199**

Dixons Britain's Leading Portable Video Store

280 BRANCHES NATIONWIDE

For your nearest Dixons shop simply use Dixons 24 HOUR PHONE SERVICE **01-581 2268**

LOWEST PRICES GUARANTEED

We promise to refund the difference if you find you could have bought any of our specially selected Dixons Deal Offers cheaper locally at the time of purchase and call within 7 days.

5-YEAR EXTENDED GUARANTEE

For a small extra payment you can get a 5-Year Extended Guarantee available on certain products. This insurance-backed scheme is underwritten by Lloyds of London. Please ask for details.

Dixons Special LOW-COST CREDIT TERMS

ONLY 10% DEPOSIT

THE BALANCE TO BE PAID OVER 36 MONTHS. APR 23.1%

ASK FOR DETAILS.

دكان من الأصيل

THE TIMES FRIDAY DECEMBER 13 1985

Gorbachov sweeps clean

From Christopher Walker, Moscow

This week's appointment of a new chief of the Soviet Navy, and the sacking of the trade minister and his deputy in Georgia, the most corrupt of the 15 Soviet republics, has shown the thoroughness with which Mr Mikhail Gorbachov is continuing to consolidate his power.

The purge in Georgia, which has also lost its ministers of culture, light industry and local industry since August, as well as its public prosecutor, is part of the nationwide anti-corruption drive being pursued with a ruthlessness which has impressed outsiders.

In contrast, the replacement of Admiral Sergei Gorshkov, the respected 75-year-old architect of the modern Soviet Navy by a man nearly 20 years his junior is seen as keeping with Mr Gorbachov's declared ambition to streamline every aspect of the state.

Assisted by the advanced age of many of those holding positions of power when he took control of the Kremlin on

March 12, Mr Gorbachov has worked to install his own men to influential roles in the economy, the armed services and the Communist Party hierarchy at a speed not witnessed in post-war history.

In that short time, he has removed 16 of the Soviet Union's 64 ministers, ousted Mr Gerasimov, his chief of staff, and brought four of his own supporters into it and replaced about 20 per cent of local party officials.

By the skilful elevation of Mr Andrei Gromyko to the largely ceremonial post of President, Mr Gorbachov has effectively taken charge of foreign policy while lessening the chance of the veteran politician proving any obstacle.

Apart from Mr Gorbachov, the new Foreign Minister, other key appointments in Mr Gorbachov's push to consolidate his position have been Mr Nikolai Ryzhkov, aged 56, the Prime Minister, Mr Yegor Ligachev, in charge of ideology, and Mr Nikolai

Talyzin, the technocrat who recently took charge of Gosplan, the state planning body.

Kremlin watchers predict that in the not too distant future, probably after next February's crucial 27th congress of the Communist Party, Mr Gorbachov may act to engineer the departure from the Politburo of his three remaining opponents there, Mr Viktor Grishin, the Moscow party chief, Mr Vladimir Scherbinsky and Mr Dinmukhamed Kunaev.

September's dignified "retirement" by Mr Nikolai Tikhonov, the octogenarian Prime Minister - allegedly for reasons of health - provides an example of how the others may be persuaded to seek an honourable exit.

Although the Soviet leader is widely acknowledged by both Western and Eastern European diplomats to have won round one in his struggle for control of the Soviet hierarchy, there are some who believe that his hardest task lies ahead.

Round two, the experts say,

will involve taking on and defeating the entrenched and conservative middle level of bureaucracy, the hundreds of thousands of officials enjoying their material privileges.

As with the sacking of the top official in the oil production industry earlier this month, there is every sign that Mr Gorbachov intends to try to remove those who defy his twin demands for greater industrial efficiency and corruption-free economic management.

The question is what chance any man, however forceful, has of refurbishing such a vast and ramshackle system. "If anyone can succeed, it will be Gorbachov," one Western diplomat said. "But it will be some time before we can start making a proper judgement."

A key indicator to Mr Gorbachov's progress is imposing his stamp on a nation inhabited by 270 million people and spanning a sixth of the world's land surface will come during the keenly-awaited party congress.

'Relief' package rocks NZ farmers

From Richard Long, Wellington

New Zealand's free market Labour Government yesterday rejected the option of handing out aid to the country's struggling farmers, replacing a relief package with an economic reform package which promised slashed tariffs on many imports from January and an easier route for business investment in land.

The import duty on about 500 products not made in New Zealand, ranging from cameras, sporting goods and some audio equipment, to home appliances, motor-cycles and vehicle parts, is to be removed completely or drastically reduced from January 1, the Minister of Finance, Mr Roger Douglas, told Parliament.

He also announced the removal of tax disincentives which discourage business investment in land, paving the way for city investment in farm projects and farm mergers.

This purist economic approach to the plight of farmers, caught between the twin problems of falling land prices and spiralling interest rates, replaced what began as a farmer relief package sponsored by the Minister of Agriculture, Mr Colin Moyle.

It continues the reformist line taken by the first marketeer Finance Minister after Labour's election win in July last year. This began with a 20 per cent devaluation and was followed by a dollar float and the removal of many of the rash of restrictions and regulations governing the New Zealand economy.

The removal of farm price subsidies had the effect of lowering the artificially high price of farm land. This caught farmers at a time when their mortgage interest rates, freed from controls, soared from single figures to the mid-twenties.

It left many technically bankrupt, but unable to sell their land as the Government's tight monetary policy and high interest rates produced few buyers. Land agents have reported that about 5,000 farms, about 10 per cent of the country's farmland, worth about NZ\$2.1bn (about £800m) is up for sale with little interest from buyers.

Mr Douglas told Parliament the changes, which include the removal of clawback tax provisions on business investment in land, would make it easier for destitute farmers to sell and encourage business investment. Government experts predicted farm mergers and a surge in horticultural exports replacing some of the traditional meat and wool.

But farmers, hoping for special low-interest loans as an immediate panacea, were less than enthusiastic about the package. The president of the farmers, Mr Peter Elworthy, said the Government was "fiddling while farmers fail".

Haitian Army moves in to quell widespread rural protest

From Alan Tomlinson, Port-au-Prince

The Haitian Army is understood to be occupying two of the country's main provincial towns and has made large numbers of arrests after two weeks of protests against the Government of President Jean-Claude Duvalier.

Reports reaching the capital, which has been untouched by the unrest, are sketchy. The official media are playing down the crisis, while church radio stations, the only independent source of news, have either been closed down or have ceased to broadcast reports.

But other non-government sources say troops have taken control of the third and fourth largest cities, Gonaïves in the north, where trouble started, and Les Cayes in the south.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Trouble started when troops opened fire on 3,000 stone-throwing protesters in Gonaïves, killing three young people, including a boy aged 13. Protest quickly spread across the country.

Demonstrators called for an end to Mr Duvalier's lifetime presidency and to recent changes to the constitution ratifying it beyond elections in 1987.

Diplomats said the rural

people were also inflamed by a chronic diesel fuel shortage, which has increased their hardship in the western hemisphere's poorest country.

The same unofficial sources

put the number arrested in the two towns at about 100. They said some provincial schools had been closed a week earlier than the official Christmas holiday.

Apart from small demon-

strations last year, it is the first widespread challenge to the Government in 28 years of dictatorship by the Duvalier family.

Strong British bid for share in Chinese communications market

From Donald Macintyre, Peking

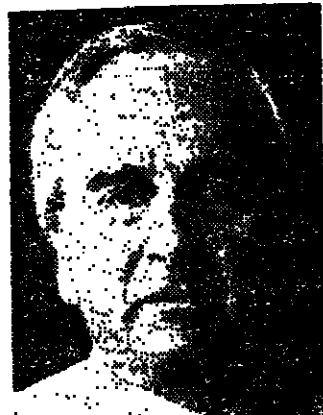
Lord Young of Grafton, Secretary of State for Employment, arrived in Peking yesterday at the head of a trade mission aimed at giving Britain a bigger share of the potentially huge Chinese telecommunications and electronics market.

Lord Young, who is accompanied by top representatives of Plessey, Standard Telephones and Cables, GEC, Racal, Cable and Wireless and Ferranti, is on a week-long visit at the invitation of the Chinese Premier, Mr Zhao Ziyang, who visited Britain in the summer.

Sir Richard Evans, Britain's Ambassador in Peking, who briefed Lord Young last night, predicted that Britain's share of the export market to China would increase to 2 per cent by the end of this year, after slumping to 1 per cent in 1983, compared to 5 per cent in 1970.

Sir Richard said he was "bullish" about prospects in China. British exporters' performance was "better than it was, but still not as good as it might have been".

Lord Young will meet today Mr Yang Tang, Minister of Posts and Telecommunications, Mr Li Tieying, Minister of



Lord Young: leader of trade mission

the Chinese have threatened the deal, worth up to £38 million, to build a new integrated-circuit plant at Quang Dong in Czechuan province, by making unacceptable demands for foreign exchange returns as a benefit of the agreement.

Lord Young is also under pressure from some British industrialists to press for a relaxation of the Cocom restrictions on the transfer of technology, such as ground radar systems, which could be used for strategic purposes. Some businessmen trading with Peking argue - though ministers deny it - that other industrialized countries take a more relaxed view of the restrictions as they affect China than does Britain.

Peking's new draft Five Year Plan for 1986 to 1990 speaks of "the extreme backwardness" of China in respect of telecommunications, and makes clear that £20 billion has been allocated to their growth.

Under the plan, the number of telephones in China, a mere five million at present in a population of 1.2 billion, will treble by 1990 and reach 33 million by the end of the century.

Air tragedy for Sinai peacekeepers

From Alice Brinton, Cairo

The DC8 jet that crashed in Canada yesterday, killing everyone on board, began its fateful journey in Cairo late on Wednesday night. The plane was carrying 250 American military personnel who had been serving with the Sinai peacekeeping force, and eight crew members.

The Multinational Force, and Observers, better known as the MFO, is a 2,600 strong unit which patrols the Sinai to monitor the 1979 peace treaty between Israel and Egypt. It has troops from 10 nations, including Fiji, Columbia, Australia, New Zealand, The Netherlands, Italy, Uruguay, France, and Britain. About half its members are Americans. They are under a Norwegian field commander and have their central headquarters in Rome.

Under the terms of the Camp David accord, Israel agreed to withdraw from the Sinai captured during the 1967 Middle East war. The US put together the MFO after it failed to organize such a force under the umbrella of the United Nations.

At the MFO's headquarters in Rome, Mr David Bridges confirmed that the plane had taken off from Cairo, refuelled in Cologne and then flew on to Gander, where it refuelled a second time. It crashed shortly after take-off from Gander.

The soldiers who died in the crash have been identified as members of the 3rd Battalion, 502nd Infantry of the 101st Airborne Division who had finished their tour of duty in Sinai and were on their way back to their base in Fort Campbell, Kentucky.

● JERUSALEM: The MFO put together in March, 1982 (see Murray writes).

It was established by a protocol signed by the two countries and witnessed by the United States. Eleven nations agreed to participate in it, with the US, Fiji and Columbia each providing an infantry battalion.

The accused, who included the administrator of Alaba district, 112 miles south of here, and his chief of police were convicted on charges of misusing authority.

Seven jailed for torture in Ethiopia

Addis Ababa (AFP) - A special anti-corruption court has sentenced seven men to jail terms of up to 12 years each for the beating, torture and illegal detention of 24 workers in the south of Ethiopia's Central Shoa province.

The accused, who included the administrator of Alaba district, 112 miles south of here, and his chief of police were convicted on charges of misusing authority.

Bowing out

New York (NYT) - Geraldine Ferraro declared that she would not be a candidate for the US Senate next year because of a continuing Justice Department investigation of her 1978 congressional campaign finances and subsequent financial reports as a member of the House of Representatives.

Terrorists jailed

Madrid (AFP) - Two Spanish members of the anti-Basque terrorist group GAL were sentenced to 30 years in jail here for murder. The group has claimed responsibility for killing 15 Basques who sought refuge in south-west France.

Peru clash

Lima (Reuters) - Thirty-five Maoist "Shining Path" guerrillas and four civil defence men were killed in a clash at Tortosa in Peru's southern state of Cuzco last week, the state-owned La Cronica newspaper reported.

Pizza rocket

Pittsburgh, Pennsylvania (AP) - Two pizza shop owners were accused of conspiring to arrange sham marriages in America so that four Italian immigrants could get residency papers allowing them to work in the United States.

Elephant ban

Gwahati, India (Reuters) - Elephants have been banned from a traditional role as transport for election officials in Assam state because the animal is the symbol of one of the parties contesting polls this month.

Jaffna deaths

Colombo - Two people were killed in crossfire when an army patrol opened fire on Tamil guerrillas in Jaffna, a Sri Lanka government spokesman said. A bomb exploded in an empty train in Colombo just after the passengers had alighted.

Suspect held

Karlsruhe, (AP) - One of West Germany's most wanted suspected terrorists, Martin Thiel, aged 25, has been arrested by the police. Authorities are investigating whether he had been a member of the Red Army Faction terrorist group.

Warsaw talks

Warsaw (AP) The Polish leader, General Jaruzelski, held talks with the president of the World Jewish Congress, Mr Edgar Bronfman, who said later: "It was a very good meeting."

Boat capsizes

Jakarta (AP) - Fourteen Indonesians died and 22 others were injured when a 39-ton ship capsized in the Indragiri river in Riau province, north of here, the Merdeka newspaper reported.

Austrian quake

Vienna (AP) - A brief strong earthquake rocked an area of southern Styria province near Liezen, but there was little damage and no injuries.



Emergency crews examining the DC8's wreckage at the crash site, in the woods near Gander Lake

Britain provided headquarters administrative support and base security. France sent signals unit were Dutch; Uruguay sent a transportation unit. In addition, Norway sent a small staff to support the first commander, Lt Gen Fredrik Bull-Hansen.

Total military strength is around 2,600. Israel, Egypt and the US each pay one-third towards the running costs. The MFO's job is to monitor the peace treaty and to try to prevent violations, but it has to keep a low profile and avoid confrontations.

In October, MFO helicopters obeyed Egyptian orders not to go in to evacuate the Israelis who were shot by an Egyptian soldier at a beach resort in the Sinai.

Yesterday all lines to the headquarters base at El Ghorah in the north-eastern corner of the Sinai were closed to outside calls.



A McDonnell Douglas DC8 similar to the plane which crashed in Newfoundland. The crashed plane was built 16 years ago and had flown 50,000 hours, covering 27 million miles, according to the manufacturer (Trevor Fishlock writes from New York).

It was a "stretched" version of the DC8 and had seats for 260 people. It was originally bought by

Eastern Airlines in February, 1969, and was used by three other airlines before being bought by Arrow Air in October last year. Arrow Air owns 12 of the planes.

DC8s have a range of 7,000 miles and a maximum speed of 600 mph. They are powered by four engines built by Pratt & Whitney or General Electric. The air-

craft are built at Long Beach, California. They first flew in 1958. More than 600 have been built and about 400 are in service.

DC8s have been involved in two of the world's 15 worst air crashes. In 1974, a chartered DC8 crashed in Sri Lanka killing 191 people. In 1978, another DC8 went down in Sri Lanka killing 183.

DC8 spans 25 years of air history

By Michael Bailly, Transport Editor

The DC8 is one of the world's longest-serving jets, developed in the 1950s as Douglas's answer to the Boeing 707. Some 556 were built between 1960 and the late 1970s, of which about 300 are still in service.

Most operate as medium to long-haul narrow-bodied jets, carrying 200 to 300 passengers for Third World and secondary carrier, though a number are operated by big airlines like Delta with quiet, updated engines.

In the past 25 years they have flown about 11 billion statute miles and carried more than 725 million passengers. They have been involved in about 60 fatal accidents, including many on the ground.

If all 250 passengers have been killed in yesterday's crash in Gander, it will be the DC8's worst disaster.

Other serious accidents over the years include: 1972: Alitalia DC8 hit a mountain in Sicily, 115 killed. 1972: Japan Air Lines plane crashed in Delhi, 86 killed. 1974: DC9 crashed into cliff in Ceylon, 191 killed.

1976: Mid-air explosion in Barbados from Cuban bomb, 70 killed. 1977: JAL plane crashed in Malaysian rubber plantation, 17 killed. 1978: Aircraft ploughed through suburb of Portland, Oregon, 10 killed.

FAA gives Arrow a clean bill

New York - Arrow Air, whose DC8 airliner was hired by the US Government to fly the troops home from Egypt, is based in Miami (Trevor Fishlock writes).

It started business in May 1981 and is certified by the Federal Aviation Administration to do charter work and run scheduled flights.

It was awarded a \$13.8 million military contract in 1981 and has a fleet of 16 aircraft: one Boeing 707, one Boeing 702, two DC10s, the rest being long-haul DC8s. The FAA said, Arrow Air had had no record of safety violations.

The company was founded in 1947 but collapsed in 1954 when the Government put nearly 200 carriers out of business because they were competing too strongly with regular airlines.

Arrow restarted as a cargo carrier four years ago. It operates air freight services passenger charters and military passenger operations, and has daily flights between Miami and New York. It also runs services to Puerto Rico. The company employs about 650 people.

Inquiry told of high SOS failure rate

By Richard Dowden

Up to 40 per cent of radio signals from ships in distress may go unnoticed, a shipping communications consultant has told an inquiry in New York.

Captain Charles Dorian, a retired US Coastguard officer, said that even in perfect conditions large ships on the high seas stand a 5 per cent chance of not having their signals picked up.

He explained that his estimate was based on an International Maritime Organization report conducted in the late 1960s and the records of ships casualties in which distress signals had been sent but not apparently received.

Under the present system large ships broadcast distress signals on 500Hz and 2182Hz which give them a range of about 150 nautical miles. All shipping must carry an auto-alarm receiver switched on to receive distress signals when their radio is not manned.

Captain Dorian said that

there were inherent limitations in this system and urged the implementation of a new system involving satellite communications and emergency position - indicating radio beacons, a radio buoy which automatically floats to the surface and transmits if a ship sinks suddenly.

A system including these features is expected to be introduced by the International Maritime Organization by the end of the decade.

Captain Dorian, a former chairman of the IMO radio communications subcommittee and now an independent communications consultant in Washington, said that the training of wireless operators in some developing countries did not come up to the standards of the developed world.

He was speaking at the enquiry into the loss of the Liberian-registered Antaeus, sunk off the Azores last year.

India holds tycoons on tax charges

Delhi, (Reuters) - India stepped up its war against tax and excise duty evasion yesterday when Mr S. L. Kirloskar, 82-year-old chairman of the giant Kirloskar Engineering group, and Mr V. P. Puri, president of the Federation of Indian Export Organisations were arrested on currency violation charges.

A spokesman of the Directorate of Excise and Customs said Mr Puri's refrigerator and air conditioner manufacturing concern was among 15 companies served with notices demanding an explanation why they should not be prosecuted.

Mr Kirloskar and two relatives were released on bail after their arrest at the company's headquarters in the western city of Poona.

Warehouse crisis in Tanzania

Dar es Salaam (AFP) - Churches and bars in several districts in Tanzania's southern highlands have been turned into warehouses to save recently harvested crops from destruction by rain.

Farmers in the districts of Njombe, Ludewa and Makete have produced 40,000 tonnes this season - 15,000 tonnes above target - but are having some problems getting their produce into state-owned storage because of transport difficulties and a shortage of warehouses.

Reports from around the country indicate that the harvest is good this year, assuring self-sufficiency at least during the first half of next year.

Calcutta blaze

Calcutta (AP) - A fire swept through the 105-year-old main market district in Calcutta, destroying at least 700 shops but causing no casualties.

Warehouse crisis in Tanzania

Dar es Salaam (AFP) - Churches and bars in several districts in Tanzania's southern highlands have been turned into warehouses to save recently harvested crops from destruction by rain.

Farmers in the districts of Njombe, Ludewa and Makete have produced 40,000 tonnes this season - 15,000 tonnes above target - but are having some problems getting their produce into state-owned storage because of transport difficulties and a shortage of warehouses.

Reports from around the country indicate that the harvest is good this year, assuring self-sufficiency at least during the first half of next year.

The recently revived co-operative unions have been pressing local financial institutions for loans to buy crops for cash and thus end the practice of smuggling them out of the country.

In the past, the co-operatives and other institutions purchased the produce from farmers on credit. As a result, the cash-starved farmers sold crops to private businessmen, and were then smuggled out.

Stricter fire rules urged by watchdog

Britain's air passengers' watchdog body has urged the Civil Aviation Authority to speed up new rules to prevent aircraft fires after the Manchester air disaster in August.

The Air Transport Users Committee want compulsory fire-proofing to be brought forward several months from the date set by the CAA at the end of 1987. It also wants the new rules to apply to carpets and wall coverings as well as to seats.

It seeks a doubling of compensation for crash victims from the present statutory limit of £74,000 to something approaching £200,000. Talks have been held with airlines and insurance brokers with a view to every ticket to cover accident insurance up to about £100,000 for all passengers.

The users committee would prefer airlines to take the step voluntarily, but if not, it will seek to have the measure made compulsory on all airlines, the chairman, Mr Robin Duff of Melsdorf, said yesterday.

Strong protests have been made to British Airways about its removal of two emergency exits from its fleet of 28 Boeing 747 jumbos, but the airline has responded negatively, the committee said. It accepts that the remaining eight exits may still allow the statutory 90-second evacuation, but believes that any sealing-off reduces safety standards.

The watchdog is also concerned about airport security. A member of the committee, Mr Edwin Buckhalter, walked on to a Quantas Boeing 747 at Heathrow recently while awaiting another flight, and was able to spend some time looking round without being challenged.

Despite the efforts of the British Government, Iata and others, it would be quite possible for a terrorist to walk on to an aircraft and leave a grenade in the same way, Mr Duff said.

Minister challenges Betancur's view

Sombre warning to Colombia

From Geoffrey Matthews, Bogota

A grim warning that Colombia could be threatened by civil conflict on a Central American scale or repression similar to that in the southern countries of South America during the last decade has been made by Senator Jaime Castro, a leading member of the Government here.

He told the nation bluntly in a speech broadcast on radio and television that continuing subversive violence could lead to "one of these two situations or both: total confrontation, civil war, the 'Central American' of the conflict, or the disappearance of our system of liberties, human rights and social guarantees, as occurred in the southern cone of the continent."

Although he went on to rule out either hypothesis, he left Colombians in no doubt about the seriousness of the situation in the wake of the "spiralling terrorism which seeks to destroy the country's institutional government and its political, social and economic system".

Senator Castro's sombre speech on Monday evening was

in stark contrast to the folksy, human and warm style of President Betancur in his addresses to the nation. It was also almost unprecedented for anyone but the President to address the nation on behalf of the Government, and added to the growing debate here over just who is running the country today.

Since last month's bloody siege of the Palace of Justice in Bogota by terrorists of the April 19 Movement (M-19), there is no doubt that the armed forces have been re-asserting themselves in the probably correct belief that Senator Betancur will prove a lame duck during the remaining months of his term until the presidential elections in May.

In particular, the military

Santiago (Reuters) - Six men and a woman armed with automatic weapons held up a train in a Chilean underground railway station, set off a bomb after herding the passengers to safety and shot injured two traffic policemen who tried to block their escape.

have never been comfortable with President Betancur's determined policy to negotiate peace with the various guerrilla groups. The military have also presented a higher profile through their work in the zone of central Colombia devastated by flash floods and mud and avalanche, after which an estimated 25,000 perished.

In the view of many observers here it was significant that Senator Castro's speech was echoed by declarations from the Minister of Defence, General Miguel Vargas Uribe, who said: "The country must now move more than ever take account of the grave situation of violence which threatens us."

Yet although the belligerent M-19 continues to mount action in various parts of the country, particularly the Valle del Cauca department and its capital Cali, Senator Castro insisted that the Government was still prepared to negotiate peace with the guerrillas. Indeed on Monday a ceasefire pact was signed with two columns of the National Liberation Army (ELN), one of the smaller subversive groups.

Blow to the life style of diplomats

From John Best, Ottawa

Canadian diplomats in Hong Kong are going to have to make do with a less elegant life style, recreationally speaking. The External Affairs Minister, Mr Joe Clark, has instructed his department to sell "as soon as practicable" 34 memberships purchased last year in Hong Kong's exclusive Aberdeen Marina Club for employees of the Canadian High Commission and their families.

The memberships gained instant notoriety here last month when they were revealed in a report by Canada's Auditor General, Mr Kenneth Dye. (Their cost - \$5,000 or \$6,000 each - was nearly \$200,000 each.)

The revelation made front-page headlines in newspapers across the land. An embarrassed External Affairs Department justified the expenditure as a means to help Canadian staff escape from the "tensions of life" in the Crown Colony. Mr Dye, however, noted that Hong Kong ranked 46 among 64 "hardship posts" on the department's own list.

Canberra quandary over canoe people

From Stephen Taylor, Sydney

The case of five Indonesians who arrived in Australia claiming refugee status more than five months ago has faced Canberra with a dilemma over ever-delicate relations with its most important and powerful neighbour. It has also raised fears of a waterborne influx on the northern coast.

The five, who are being held on Thursday Island, where they landed in June, had their claim approved by the Determination of Refugee Status Committee more than six weeks ago.

But Mr Chris Hurford, the Immigration Minister, says they will not be allowed to remain in Australia. He has referred the case back to the committee and says that if the finding is confirmed Canberra will try to

find asylum in a third country.

The refugees are from Irian Jaya, once Dutch New Guinea, and now the easternmost of Indonesia's vast territories, where the Suharto administration's policy of resettling hundreds of thousands of Javanese from the archipelago's over-populated main island has spawned an armed secessionist movement among the indigenous Melanesian people.

Canberra's concern is that if the five Irianese are allowed to stay in Australia it might open the gates to a flood of "canoe people" inclined to make the simple crossing. That would naturally have significant repercussions for relations with Indonesia.

The issue is particularly

relevant at present, with Dr

Mochtar Kusumaatmaja, the Indonesian Foreign Minister, due here tomorrow.

Adding to the atmosphere of sensitivity about Indonesian refugees is the acute problem in Papua New Guinea, which borders on Irian Jaya and looks with anxiety at the transmigration policy. While only a handful of Irianese have managed to reach Australia, more than 10,000 have crossed the frontier into Papua New Guinea and are now established in camps there.

Although Australia already provides the bulk of the funds to sustain the camps, Papua New Guinea, which was under a Canberra administration until its independence 10 years ago - is, visit an interesting one.

hoping it will agree to accept refugees as well.

The Australians maintain the less than 20 per cent of the Irianese in camps are genuine refugees - in other words, it does not accept that they would suffer persecution if they returned to Indonesia - and that the problem is anyway, is a purely bilateral one between Indonesia and Papua New Guinea.

However, there are many critics of this view here who feel that Canberra is less forthright with Indonesia than it ought to be on human rights issues. The Australian press, which is naturally not as aggressive as Canberra's administration until its independence 10 years ago - is, visit an interesting one.

AVIS D'ADJUDICATION RESTREINTE

Le Gouvernement de la République Rwandaise envisage la réfection de la route Kigali-Gatumba, d'une longueur d'environ 78 km.

Financement:

Le financement des travaux est assuré par le Gouvernement Rwandais et les bailleurs de fonds de la BAD/CA/Chatham. Lot I du PK 0,2 à PK 25 sur la BAD/CA/Chatham. Lot II du PK 25,0 à PK 58,5 par l'IDA/Washington. Lot III du PK 58,5 à PK 80,5 par le FIDA/Bruxelles.

Les lots I et II font l'objet d'une adjudication restreinte après présélection des candidats.

Le lot III fait l'objet d'une adjudication ouverte.

Les candidats, qui répondent aux conditions des bailleurs de fonds mentionnés ci-dessus, peuvent participer à l'appel d'offres.

Le dossier de présélection pour le lot I et le lot II peut être obtenu à l'adresse suivante: Monsieur le Ministre des Travaux Publics et de l'Energie B.P. 24 KIGALI/RWANDA à partir du 15 Décembre 1985.

L'appel d'offre ouvert du lot III sera lancé ultérieurement, après l'ouverture de la présélection des lots I et II, qui aura lieu le 15 Février 1986, date limite de remise des dossiers de présélection.

Importance des travaux

Lot I et Lot II: Terrassements: 100 000 m³ Couche de chaussée: 70 000 m³ Enrobé dense: 45 000 m³ Lot III: Terrassement: 150 000 m³ Corps de chaussée: 2 000 m³ Enrobé dense: 15 500 m³

Parliament demands extra cash and plunges EEC into new financial crisis

From Richard Owen, Strasbourg

An apparently promising opportunity to avert the annual crisis over the EEC budget between the European Parliament and the Council of Ministers collapsed yesterday, plunging the EEC into financial chaos once again.

Despite last-minute, late night talks with budget ministers who came to Strasbourg for an unusual "third reading", the Parliament demanded extra spending of £358 million to meet the cost of adding Spain and Portugal to the Community next month, as well as inherited financial commitments and regional and social funds.

The decisive vote in favour of additional spending was 230 to 39 with 20 abstentions.

The budget ministers were willing to offer only an additional £150 million in an overall budget of £1,916 million, compared to Parliament's overall budget of £2,055 million. The outcome is a blow to hopes that the two bodies could find a new working relationship after last week's Luxembourg summit, which ended marginally greater influence to Strasbourg.

Amid an air of drama, the Luxembourg chairman of the Budget Council, M Jean-Claude Juncker, appeared in the chamber to make a lengthy last-minute appeal for compromise, but it fell on deaf ears. A tactical vote by Liberal and Conservative groups, designed to reduce Parliament's social fund allocation, and so meet the Council's lower figure, was also defeated.

Mr David Curry, the British Conservative budget spokesman, accused the European Christian Democrats of betrayal for not supporting the Conservative tactical vote saying "They deliberately marched over the cliff."

Mr Efthimos Christodoulou, the Parliament's budget spokesman, said despite undertakings by the Council to meet social spending for 1986 rather than firm guarantees, were not enough, and Parliament was not seeking "agreement at any price."

It now seems almost certain that some EEC member states will refuse to pay the extra £200 million.

The vote came the day after the Assembly had rejected by 243 votes to 47 the package of reforms agreed at the Luxembourg summit, but reserved its final position. The reforms were a closely fought compromise between maximalist and minimalist states, and Italy, which took a radical line, has made its ratification of the Luxembourg package conditional on its acceptance by Strasbourg.

M Jacques Santer, the Luxembourg Prime Minister, pleaded with MEPs not to reopen the whole reform debate, and an amendment put forward by Sir Jack Stewart-Clark, of the British Conservatives, declared that while Parliament could not accept the proposed changes to the Treaty of Rome in their present form, Strasbourg would seek clarification from next week's meeting of European Foreign Ministers in Brussels.

Parliament could then consider the question again at its next session in January, in the hope that the Council of Ministers will concede more power to the Parliament.

It is highly unlikely, however, that the foreign ministers will do any such thing, since the package must be taken as a whole. Apart from parliamentary powers, it includes the abolition of trade barriers, moves towards open frontiers, increased majority voting (with the national veto retained where vital interests are at stake), and a common foreign policy.



Mr George Shultz, US Secretary of State, finds the discussions of the Nato foreign ministers hard going in Brussels.

Allies seek overall strategy on Russia

From Frederick Bonarrat, Brussels

An allied political strategy towards the Soviet Union and Eastern Europe is being worked out by Nato after the Geneva summit.

The foreign ministers of Nato, meeting here yesterday and today are examining reports on alleged arms control positions in the negotiations taking place in Geneva on nuclear weapons, in Vienna on conventional forces in Central Europe and in Stockholm on confidence-building measures.

A first step has already been made in Vienna with the submission of a new allied proposal on troop reductions, based on a British initiative. The American and Soviet proposals at Geneva for a 50 per cent reduction in nuclear weapons are also being examined.

The strategy is not to be restricted to arms control, Sir Geoffrey Howe, Foreign Secretary, said, but is to include human rights problems and regional issues as well as political relations with the Soviet Union and the East European countries.

Sir Geoffrey Howe, believes that Geneva is a major step in the right direction and presented a real opportunity for progress. He said there was a lot of work to be done yet on arms control and that it would be a long haul.

Republican snub on tax reform makes Reagan angry

From Michael Binyon, Washington

President Reagan yesterday signed into law the historic Bill to eliminate the vast US budget deficit as the White House licked its wounds after the stunning political setback inflicted on the President by his own party's refusal to back his cherished tax reform Bill.

The House of Representatives voted on Wednesday not to debate a Democrat-sponsored Bill to simplify the tax system, making it virtually impossible for Congress to take up the issue before its adjournment today. All but 14 Republicans defied the President, using a procedural device to sabotage a Bill many say does not represent Mr Reagan's original proposals.

The President was furious and embarrassed. Vowing not to accept the setback to the main plank of his second term domestic programme, he said he was not going to let the Bill die for a handful of votes. Aides said he was "steamed".

He saw it as one thing for a Republican member to vote for his convictions and another thing to lead a vote against him. "The President ain't going to forget and he ain't going to forgive," an aide said.

The White House was scrambling yesterday to find a way round the procedural impasse. But it was caught by surprise by the Republican revolt, and everyone else for the debate. Many pointed to bad strategy and poor co-ordination by Mr Donald Regan, the White House Chief of Staff, and Mr James Baker, the Treasury Secretary.

The Democrats, with a certain smugness at Mr Reagan's discomfort, insisted they had done their bit: it was now up to the President to do his.

"If the president really cares about tax reform, he will deliver the votes. Otherwise, December 11 will be remembered as the day Ronald Reagan became a lame duck on the House," Mr Thomas "Tip" O'Neill, the House Speaker, said.

Although Mr Reagan hinted darkly that failure to act now would mean that tax reform was dead for years to come, the Bill can probably be presented again next year. The President whose nonchalant attitude has been criticized, was lobbying hard yesterday. But he will have to do much to repair his relations with key congressional leaders. Their revolt was sparked partly by their anger at him for undercutting their positions on several other important issues this year.

Tax reform does not arouse much interest in the country. Many congressmen, looking nervously over their shoulders at next year's elections, think the President should focus instead on such explosive issues as the farm crisis, the loss of jobs to foreign competition and unemployment. But the strength of his personal commitment to a tax Bill has made the setback on Wednesday that much more damaging to his authority.

Clearly embarrassed, the White House yesterday decided to forgo any public ceremony for the signing of the Bill to raise the national debt ceiling.

This was passed after a nine-hour Senate debate late on Wednesday evening by a majority of 61 to 31. The House quickly followed, approving it by 271 to 154 votes. Both the President and congressmen had earlier doubts, saying the Bill would cause "chaos" in next year's budget. But as one representative commented: "The question is not if this is good policy. The question is: can you let this deficit madness go on?"

Tory shares blame for fracas

From Our Own Correspondent, Strasbourg

The Conservative MEP at the centre of a row in the European Parliament, a brawl between Labour MEPs collecting for charity yesterday, withdrew his allegation that the money collected was not being properly accounted for.

The MEP, Mr Paul Howell, admitted that he was partly to blame for the fracas, and not simply the victim of an assault by Labour MEPs as he had first claimed.

But a spokesman for Mr Howell insisted later that the Christmas collection for Oxfam was nonetheless against parliamentary rules, was aimed politically at cuts in food aid by the British Government, and had not been authorized by Oxfam.

On Wednesday Mr Howell objected during debates to the Labour Party Oxfam collection being conducted near a Christmas tree outside the chamber with slogans attacking cuts in famine relief.

When he emerged the Labour members, led by Mr Ken Stewart and Mr Llewellyn Smith, challenged him to repeat his words, and a tussle took place in which Mr Howell ended up on the floor. He claimed he had been thrown down, kicked and punched, but the Labour MEPs said it was Mr Howell who had "made a go for them" and had later punched Mr Stewart on the nose.

The incident was recorded by European television crews and did little to enhance the image of British deputies at Strasbourg.

Ceausescu's surprise trip to Belgrade

From Dossa Trevisan, Belgrade

President Nicolae Ceausescu of Romania arrived here yesterday on a 24-hour visit amid persistent rumours of his failing health and unrest in the country.

According to eye witness reports, there is tension in the Romanian countryside, where the peasants, exasperated by high state food delivery quotas and continuing food shortages, have raided grain storage silos last month. The Army was then brought in to restore order.

Squeezed between two scheduled visits - that of Mr Gyorgy Lazar, the Hungarian Prime Minister who has just left, and that of the US Secretary of State, Mr George Shultz, who is due here on Tuesday - the Romanian leader's visit has all the appearance of urgency, or of being hurriedly arranged at Mr Ceausescu's initiative.

This impression is heightened by the fact that Mrs Milica Planinc, the Yugoslav Prime Minister, was in Romania less than a month ago for extensive talks with the Romanian President and other leaders.

The Yugoslavs are concerned over the current situation in Romania and over the future course of the country should the rumours of Mr Ceausescu's failing health be true.

Yugoslav concern has been heightened by a marked increase in the number of Romanians fleeing to Yugoslavia this month. The refugees speak of a series of violent incidents which have occurred in rural regions and of peasants clashing with the Army and security forces. Romania has kept silent.

In Bucharest Army patrols, normally part of the scene, have lately been even more in evidence.

All this seems to be causing apprehension here. Yugoslavia, itself in serious trouble and not only economic ones, appears to consider it to be in its own interest to assist Mr Ceausescu and to see to it that Romania stays on its course. The last thing the Yugoslavs would wish to see is Soviet influence increasing in neighbouring Romania and whatever reservations they may be having about Mr Ceausescu's domestic policies, they regard him as a guarantee against such a development.

It is not up to the politicians, particularly in Israel, to decide if they can make the concessions needed to turn the present uneasy relationship into a firm foundation on which to build peace.

The one question of real interest to Egypt remains the sovereignty of Tabu, the tiny resort on the Red Sea. Officials put together papers outlining the ground rules for deciding the issue either by arbitration, as Egypt wants, or by conciliation, as Mr Yitzhak Shamir, the Israeli Foreign Minister, wants.

Bonner heart disease

Washington. - Doctors in Boston have discovered that Mrs Yelena Bonner, wife of the Soviet physicist, Dr Andrei Sakharov, is suffering from ischemic heart disease, a condition in which insufficient blood reaches the heart due to blocked arteries (Christopher Thomas writes).

She returned to Massachusetts General Hospital yesterday for further tests to decide whether she should be admitted within the next few days.

Gaddafi cash for group in Uganda

By Richard Dowden

As the ruling Military Council in Uganda continues to disintegrate, evidence has emerged that the Libyans are becoming involved in supporting one of the factions.

Officials of the Uganda Freedom Movement, whose leader, Andrew Kayunga, has a seat on the Military Council, passed through London last week on their way to Tripoli. Two of them hold Libyan passports and one, a Pakistani named Sajid, claims to work for Libya.

Meanwhile another member of the Military Council, Colonel Wilson Toko, is understood to have established links with former President Idi Amin. Colonel Toko comes from West Nile, the same region as Amin, and is believed to have met Amin in July in Dubai soon after the coup in Kampala. He has been responsible for bringing back hundreds of former Amin soldiers to Kampala and maintaining links with Amin through couriers passing from southern Sudan to northern Uganda.

Mr Amin Mutibwa, Amin's ambassador to Libya, Mr Sajid, a former Pakistani Army officer, and a Mr Kagimu, a Ugandan, are married to a Libyan who has a Libyan passport, met in London at the end of last week and the latter two are going on to Libya in the hope of gaining support for the Uganda Freedom Movement from Colonel Gaddafi.

Since Egypt has been supporting the Okello Government, Libya may be tempted to match that with support for another faction; and the UFM, which almost fell apart in 1982 when its guerrillas were defeated and its leaders fled, has recently gone through a remarkable revival with an unexpected influx of money and new weapons.

Britain meanwhile is waiting on the sidelines but has put out feelers in the form of two Army officers sent to Nairobi recently to meet all the Ugandans negotiating there, ostensibly to offer military training and support in the event of a settlement. In fact, Major General Tony Pollard and Major Roger Williams of the Royal Marines, are trying to establish a relationship with Mr Yoweri Museveni, the rebel leader, in case he comes to power in Uganda. Britain will not maintain direct links with Mr Museveni because he is trying to overthrow a government which Britain recognizes.

British help: Britain is prepared to take part in a multilateral aid programme to Uganda so long as the current peace talks are successful. It is expected that a peace accord will be signed in Nairobi today (Nicholas Ashford writes).

Israel factions want extremists freed

From Ian Murray, Jerusalem

A new amnesty Bill for members of the Jewish "underground" who are serving sentences for terrorist attacks against Arab targets has been put before the Knesset.

Its sponsors are members of the four different religious factions, who expect they can rely on support from a large number of Likud members when the Bill comes up for its preliminary hearing.

Two members of the underground were released from prison last weekend after their sentences were reduced. Others have been given amnesties but 15 remain in prison.

The drafters of the Bill had some difficulty working it in a way which would exclude Palestinian terrorists. The argument used is that the Jewish extremists committed crimes only because they were suffering as a result of having to live with the permanent threat of Arab terrorism.

Amnesty would be available for those suffering from these stresses, provided they had no intention of undermining the state of Israel and on condition they gave written undertakings never to repeat their crimes.

It will be two months before the Bill gets a first reading. Opponents are meanwhile asking the Speaker to disqualify it on the grounds that it is racist in substance.

For their part the religious parties are keen to pursue four other subjects and are threatening to leave the Government coalition if they do not achieve satisfaction.

The first of these is over delay in moves to restrict the appearance of urgency, or of being hurriedly arranged at Mr Ceausescu's initiative.

This impression is heightened by the fact that Mrs Milica Planinc, the Yugoslav Prime Minister, was in Romania less than a month ago for extensive talks with the Romanian President and other leaders.

The Yugoslavs are concerned over the current situation in Romania and over the future course of the country should the rumours of Mr Ceausescu's failing health be true.

Yugoslav concern has been heightened by a marked increase in the number of Romanians fleeing to Yugoslavia this month. The refugees speak of a series of violent incidents which have occurred in rural regions and of peasants clashing with the Army and security forces. Romania has kept silent.

In Bucharest Army patrols, normally part of the scene, have lately been even more in evidence.

All this seems to be causing apprehension here. Yugoslavia, itself in serious trouble and not only economic ones, appears to consider it to be in its own interest to assist Mr Ceausescu and to see to it that Romania stays on its course. The last thing the Yugoslavs would wish to see is Soviet influence increasing in neighbouring Romania and whatever reservations they may be having about Mr Ceausescu's domestic policies, they regard him as a guarantee against such a development.

It is not up to the politicians, particularly in Israel, to decide if they can make the concessions needed to turn the present uneasy relationship into a firm foundation on which to build peace.

The one question of real interest to Egypt remains the sovereignty of Tabu, the tiny resort on the Red Sea. Officials put together papers outlining the ground rules for deciding the issue either by arbitration, as Egypt wants, or by conciliation, as Mr Yitzhak Shamir, the Israeli Foreign Minister, wants.

PLO kidnap plot charges

Jerusalem (Reuters) - Israeli military officials said yesterday they had charged two Palestinians with involvement in a Palestine Liberation Organization plot to kidnap the Mayor of Jerusalem, Mr Teddy Kollek.

The charges, against the Palestinians, who will be tried in a military court, said they were recruited by the PLO in Jordan in May.

It named them as Amar Ahmad Hasan Abu-Kaldeh, aged 25, and Faiz Daoud Karoun, aged 26, both from Jerusalem.

The plotters hoped to hold Mr Kollek, aged 74, Jerusalem's mayor for 20 years, to seek the release of Palestinians serving life sentences in an Israeli prison for guerrilla activities, according to the charges.

Fury over Hoyte poll victory

From Jeremy Taylor, Port of Spain, Trinidad

There has been sharply critical reaction in Guyana and the Caribbean to the massive victory claimed by the country's ruling People's National Congress (PNC) after Monday's general election.

President Desmond Hoyte insists that the voting was "regular and above-board", but both main opposition parties have produced detailed lists of irregularities. Eight national organizations have recorded "profound disappointment" at the conduct of the elections.

Their statement, signed among others by the Anglican and Roman Catholic bishops, the Guyana Human Rights Association, the Bar Association and trade union leaders, said the voting had produced "the familiar and sordid catalogue of widespread disenfranchisement, multiple voting, the election of election agents, threats, intimidation, violence and collusion by police and Army personnel."

Some Caribbean leaders also reacted sharply. In Dominica, the Prime Minister, Mrs Eugenia Charles, wondered pointedly why Guyana was so reluctant to allow observers. The Prime Minister of St Vincent and the Grenadines, Mr James Mitchell, said it was naive to expect any other result from Guyana. "If the Government of Guyana really wanted to establish international credibility, it would have permitted observers from the Caribbean and outside to see exactly what is going on."

It was said that the region had this burden to carry, Mr Mitchell added.

President Hoyte's victory leaves him with more headaches than relief. In Guyana, hopes of a more positive political future after the death in August of the former President, Forbes Burnham, have been shattered, and Mr Hoyte will have to deal with growing political frustration.

The two main opposition parties - the People's Progressive Party (PPP) and the Working People's Alliance (WPA) - are unlikely to take up the seats they get under Guyana's proportional representation system and, satisfied that there is no chance of political change through the ballot box, they may now involve alternative strategies, as Dr Cheddi Jagan, the PPP leader, has threatened.

Fury over Hoyte poll victory

From Jeremy Taylor, Port of Spain, Trinidad

There has been sharply critical reaction in Guyana and the Caribbean to the massive victory claimed by the country's ruling People's National Congress (PNC) after Monday's general election.

President Desmond Hoyte insists that the voting was "regular and above-board", but both main opposition parties have produced detailed lists of irregularities. Eight national organizations have recorded "profound disappointment" at the conduct of the elections.

Their statement, signed among others by the Anglican and Roman Catholic bishops, the Guyana Human Rights Association, the Bar Association and trade union leaders, said the voting had produced "the familiar and sordid catalogue of widespread disenfranchisement, multiple voting, the election of election agents, threats, intimidation, violence and collusion by police and Army personnel."

Some Caribbean leaders also reacted sharply. In Dominica, the Prime Minister, Mrs Eugenia Charles, wondered pointedly why Guyana was so reluctant to allow observers. The Prime Minister of St Vincent and the Grenadines, Mr James Mitchell, said it was naive to expect any other result from Guyana. "If the Government of Guyana really wanted to establish international credibility, it would have permitted observers from the Caribbean and outside to see exactly what is going on."

It was said that the region had this burden to carry, Mr Mitchell added.

President Hoyte's victory leaves him with more headaches than relief. In Guyana, hopes of a more positive political future after the death in August of the former President, Forbes Burnham, have been shattered, and Mr Hoyte will have to deal with growing political frustration.

The two main opposition parties - the People's Progressive Party (PPP) and the Working People's Alliance (WPA) - are unlikely to take up the seats they get under Guyana's proportional representation system and, satisfied that there is no chance of political change through the ballot box, they may now involve alternative strategies, as Dr Cheddi Jagan, the PPP leader, has threatened.

An offer which will make your compact disc collection less compact



Pick up a leaflet when you buy any five compact discs* at one time, and we'll give you two £5 vouchers. Each can be put towards the cost of another compact disc, so you can save up to £10.

It's an ideal way of starting or building up a collection, from the hundreds of titles in more than 200 of our branches nationwide. However, if you can't find what you want, we'll tell you if it's one of the 5,000 titles now available and order it for you.

And if you'd like us to keep you informed of the latest compact disc releases and accessories, just fill in the coupon below and post it to us.

*Two or triple packs of compact discs count as 2 or 3 single purchases respectively. Offer closes 31st January 1986. Pre-paid customer orders count towards offer provided the five compact discs are paid for at the same time.

- | | | |
|--|---|--|
| | | |
| Level 42 World Machine £10.99 | Elton John Ice on Fire £10.99 | Dire Straits Brothers in Arms £10.99 |
| | | |
| Lloyd Cole & the Commotions Easy Pieces £10.99 | West Side Story Leonard Bernstein £23.99 (includes 2 compact discs) | James Last Leave the Best To Last £10.99 |

WHSMITH FOR CHRISTMAS

Prices correct at time of going to press. Subject to availability. Available where you see this sign.

If you would like to receive information on new Compact Disc releases and useful accessories just fill in your name and address and send this coupon to: WH Smith, Department No. 1, FREEPOST, Children's Street, London SE8 5BR.

Name (Mr/Ms/Ms.) _____
 Address _____
 Postcode _____

Allow 21 days for delivery.

Gas bills and gaiters

The Times Profile: The Church of England Part 3: A tale of two priests

The Bishop of Lincoln has a luxury home, a chauffeur and gardener; the curate of St George's scrapes by on his stipend. Fiona Maddocks compares their lives

All home comforts

The Right Rev Lord Bishop of Lincoln, Simon Wilton Phipps MC, always sets his alarm for 5.45am. After taking a pot of tea to his wife, Mary, he prepares a quick breakfast of muesli, toast and honey, then settles down for an hour of private prayer before the telephones start ringing. Mary stays in bed another hour, reading *The Times* and hoping for Rabbi Blue on *Thought For The Day*.

A few hundred yards away, Lincoln Minster looms in the half light, her twin towers and crocketed pinnacles soaring above the flat Lincolnshire fens, a landmark for miles. Even after 11 years in the job, with retirement due next year, the bishop still finds the spectacle awesome. His 68 predecessors include some of the holiest men in the history of the English church. One, Hugh of Avalon, became a saint.

"But it's no good being awed. There's too much to do," he adds briskly, heaping more coals on the glowing hearth in his vast study. Books on theology, literature and painting spill from every shelf; papers bury his roll-top desk.

Outside, in the early sunshine, James, the chauffeur, is helping the gardener rake leaves from the walled medieval garden beneath which, some say, lies a Roman burial

BISHOP

From Gk. 'episkopos', meaning overseer. A clergyman consecrated as ecclesiastical governor of a diocese and possessing powers of confirming, instituting and ordaining. Dioceses in C of E 44, 30 in Province of Canterbury; 14, York. Appointment by the Crown, on advice of Prime Minister and Crown Appointments Commission. Duties: Administrative and pastoral overseeing of parishes, clergy and laity which comprise a diocese.

- appoints new clergy
- administers Confirmation
- exercises discipline over clergy
- oversees diocesan finances and administrative bodies
- ensures maintenance of fabric of Church buildings

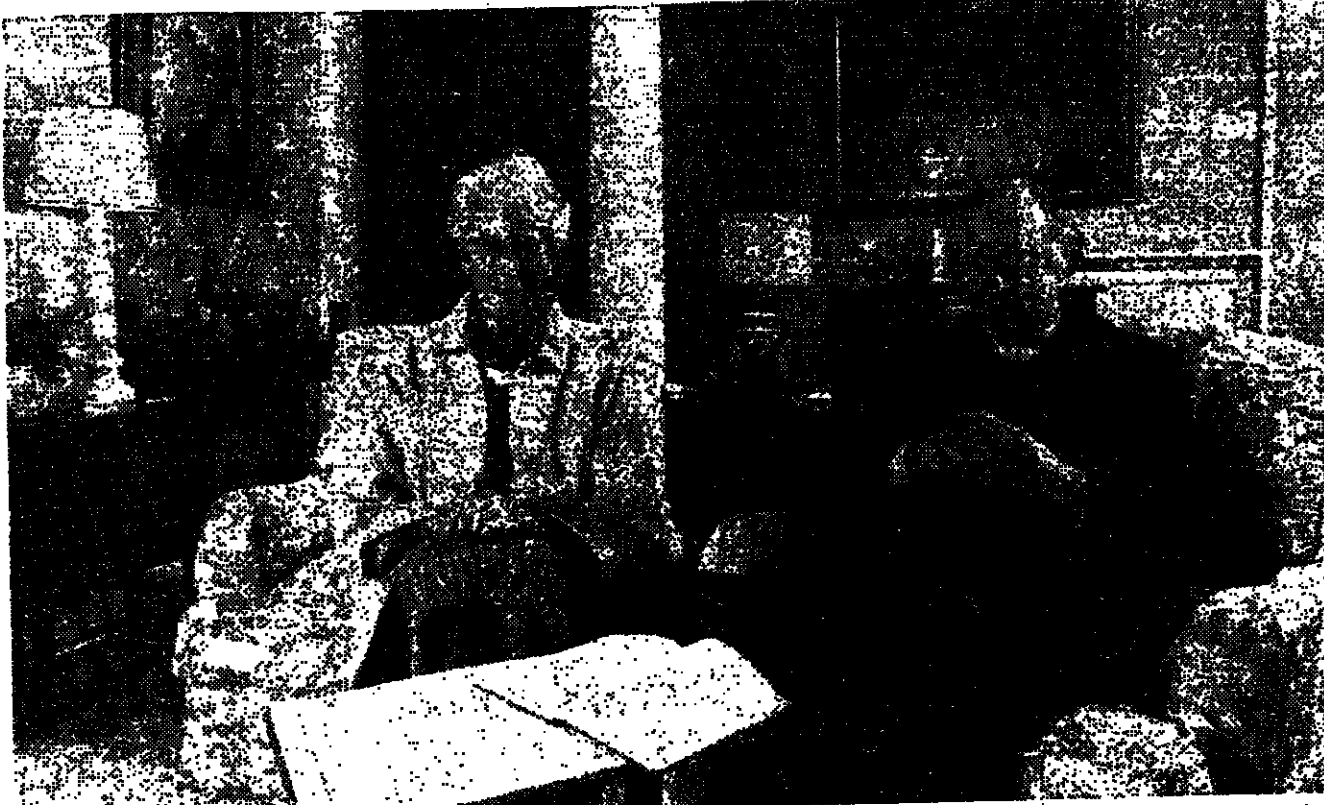
Staff: Suffragan bishop (or bishops), Archdeacons, Dean, diocesan secretary, personal assistant, Chancellor (Canon of Cathedral). Other officers: Training: After ordination, on the job experience. Allowances: Most entertaining and travel. Running costs, car, house staff. Total approx. £30,000 p.a. Average salary: £13,845 p.a.

Mary, his wife, has her own full-time career as a Jungian analyst, specializing in the needs of clergy. Her consulting room is the other side of the house. Husband and wife have their own telephone lines either side of the bed and retreat to their separate domains each morning.

"Our two empires," says Mary. "Our double act," the bishop prefers, recalling his days as President of Cambridge Footlights, and his wife's former career as an actress.

With two incomes, in addition to their own moderate private means, no children and most expenses provided, the couple live comfortably. Their six-bedroomed house, provided by the Church, is modest by episcopal standards, but the rooms are palatial in size and style.

When they first came to Lincoln, conscious of the Church's dwindling coffers, they suggested selling the house and living in a small flat in the town centre. The Church Commissioners refused, be-



Sitting comfortably: the Bishop of Lincoln with his wife in the drawing room at the Bishops House

cause expensive office space would need to be found elsewhere. Realizing, therefore, that this would be their home for several years, they redecorated at the Church's expense, choosing traditional English elegance without ostentation.

Except when the Bishop is called away to the General Synod, House of Lords or on diocesan business, mornings are usually spent seeing staff members and dealing with correspondence. His personal assistant, Canon Michael Brackenbury, reads him of all but essential administration.

Today's letters are typical: a list of important debates coming up in the Lords, a query about a clerical appointment, a complaint about a vicar who has been rude. Many others

reflect the bishop's long-standing concern with unemployment and industrial problems. He believes he should use the platform his job provides to air such issues.

Lunch, in the kitchen, is simple and informal: Mary's artichoke and celeriac soup - "with a dash of wine at the start" - salad on white peacock tail china plates, wholemeal bread and cheese and a glass of cider.

On their few free evenings, the bishop and his wife enjoy a light supper - fresh pasta, perhaps - on a tray in their smaller, private drawing room. "We're telly addicts", he admits. "Especially those soap operas like *Heart of the Dragon* or *Jewel in the Crown*." Mary corrects him: "Hardly soap, darling."

Contrary to expectation, the bishop has few duties in the cathedral, except at major festivals such as Christmas. Day to day affairs are in the hands of the dean. Instead, most Sundays and several weekday evenings are spent conducting confirmations, or institutions of new clergy in the diocese.

Tonight, the bishop has to drive 50 miles to Boston, to commission a new rural dean. James is off-duty, so the bishop drives the official Y-registration Ford Sierra himself.

The turn-out at the church is good, the congregation excited by having their diocesan prince in their midst. Afterwards, they play him with mince pies in the church hall and challenge him on points in his sermon. "A bishop has got to enjoy a good bun-fight", he says, and he does.

Screened from the suffering children

In an odd way it is actually worse on the television than it is in reality.

Recently I had the disquieting experience of watching a home-made television video of a camp full of starving African children. I had been to the camp and stood among the children as they squatted on the plastic sheeting of the feeding centre and waited with their empty bowls.

I had breathed in the nauseating stench so characteristic of these places, a sickly-sweet miasmic odour of vomit, sweat, dust, faeces and decay. I had reached out and touched little forearms so fragile it seemed they might snap. I had felt their skin, wrinkled like old crepe paper. I had lifted a spoon and tried to pour a little milky porridge into the apathetic lips of one who stared at me, infant too starved even to feel the hunger.

And yet, I had not been so shocked as I was when I saw the same thing on that television screen.

There, in a warm, well-upholstered suburban room, with wine on the table before me, in a house with hot and cold running water, stacks of food in the larder, I sat and watched, ashamed not of having forgotten, but of never somehow having seen what the shameless lingering eye of the camera had seen.

This time last year my experience of Africa had been confined to the relative comfort of a Kenyan safari bus. Since then I have seen people starving to death in Ethiopia, Sudan, Chad, Niger, Burkina Faso and Mali. It has been a numbing experience.

There is, aid workers will tell you, a cycle of responses which range through horror, anger, guilt, depression, indifference and hope. It is, apparently, normal to shift through them repeatedly.

The sense of horror is easy enough to understand. Arriving for the first time at a feeding camp in Ethiopia in January, it was the size of the place which was so appalling. You could walk along the lines of waiting people and each time you stopped to look, there was a tragedy entire in itself - the hollow eyes, the shrunken limbs, the bulging belly spoke of an empty home, a barren field, a history of harassment.

A breakdown in something fundamental to human existence. The tragedies stretched on, in their tens of thousands.

It does not take long for horror to transform itself into outrage and then you look around for someone to blame. In Ethiopia there was an obvious target - the Marxist government, many of whose policies on public health, resettlement and price fixing, worst of all, indifference to the real interests of the people.

But locking horns with the politicians on issues like that made it possible to walk through the camps looking for evidence to support a case, and missing the more profound truth that the humiliated people needed a solution which transcended politics.

Hunger breeds in apathy and reduces its victims to glassy-eyed statistics who no longer seem human. It was only later, at Bati Camp, seeing people who had been restored to animation by food aid, that this became clear. A sense of uneasiness grew in me that I had walked through several camps impervious to the people around me.

At night I would return from the stark horror of the camps to the Telex machine in the luxurious Addis Ababa Hilton and its cordon blue restaurant. "What did you eat? Could you?"

you take food from your hotel to the starving people?" one of my daughter's schoolmates later asked. There are no answers to questions so simple.

The fact that the contrast between life in the camps and life in Addis Ababa is far greater than the contrast between London and Addis, is a problem shared by most of the Third World.

The legacy of colonialism left most of Africa with a black elite in place of a white one, but one just as out of touch with the mass of the people. The capital cities had been located in sites chosen for easy contact with the West rather than good national administration. Their economy is based on cash crops designed to give cheap products to the West rather than to feed the native population. Their education system is geared to producing not entrepreneurs or innovators, but more administrators for the overburdened bureaucracies.

The western world's recession upset the economic equation the Africans were handed on independence. In 1971 one Sahelian cow bought a barrel of oil, in 1981 it took nine. Prices for cash crops fell, interest rates rose, and foreign



Fact finders: Paul Valley (left) and co-author David Blundy with Bob Geldof in Ethiopia

aid payments decreased in real terms. It often seemed as if the West was keeping its head above water by standing on drowning black men.

In the post-colonial West we shall never agree to bear our true share of the responsibility for these problems until there is a shift in public opinion which means that Third World aid becomes an election issue.

To compound all this, many of the countries were wasting money in fighting civil wars and there were the formidable natural problems of bleak terrain, enormous distances and rainy seasons.

Band Aid was a refreshing example of how compassion can emerge from beneath the cynicism and commercialism of our modern life. But in the end individual aid workers are left to carry the standard.

Amid the savagery and purposelessness of the death and suffering, they maintain good humour and dedication which is impressive. Some of them find their motivation in religion. "I can see Christ in every face", one nun in Ethiopia told me. All I could see there was a bleak denial but in the work of the aid staff, both European and African, there was a saving humanity.

It is, perhaps, because the video-camera can never properly capture that warmth and caring that, in the final analysis, I am pleased to have had the chance to glimpse the reality behind these television pictures.

Paul Valley
With *Golden Africa* by David Blundy and Paul Valley (Times Books/Band Aid, £5.95) is published on December 19.

For richer or poorer: John and Yvonne Hetherington with their four children, happy despite their hardships

Although poor as a church mouse, curate John Hetherington feels more fulfilled than when he had a well-paid RAF job

Although poor as a church mouse, curate John Hetherington feels more fulfilled than when he had a well-paid RAF job

Breadline blessings

The Rev John Hetherington, curate of St George's Crosby, Scunthorpe, is a pink winter sun rises above the cooling towers and coke ovens of the Appleby-Frodingham steelworks.

For a precious hour, he prays and meditates in his small, orderly study - the front room - before the regular pandemonium of a family breakfast engulfs him: four young mouths, clamouring for cereal.

As he is about to set off on his parish round, wrapped in a well-mended grey duffel coat, the post arrives. One brown envelope catches his eye. "Yvonne", he calls, "the gas bill's here."

His wife appears immediately, baby Debbie Jo in her arms, with Carl, eight, Daniel, six and Nicola, four, trailing behind in various states of undress. They watch as he reads. He looks relieved. "Nearly £100. About what we'd reckoned." John has become accustomed to monitoring the meter and buying stamps, as he does with the telephone and electricity, so the blow is softened.

Until three years ago, when he was 29, John Hetherington was a radio technician in the RAF earning £11,000 per year, with good prospects, plenty of perks and foreign holidays. Now, he earns half that amount. "The last thing I wanted to be was a clergyman. Yvonne and I only started going to church six

years ago, in Cyprus, and that was because of an especially good Forces chaplain. But gradually it dawned on me I was in the wrong job. I resigned, before really admitting to myself why."

Two difficult years at theological college in Lincoln followed. His first appointment, to Scunthorpe, a year ago, came as a welcome relief. One of the main advantages of the job is the tied house, but as with many church houses it is large, damp and draughty, with high running costs.

Yvonne has learnt many of her money-saving devices from other hard-up mothers in the parish. Accepting Family Income Supplement was a blow to her pride, but hardly unusual in an area which averages 25 per cent unemployment. "The only difference between me and the other mothers is that my husband has got a job," says Yvonne. "Yet we still fall below the breadline."

The Church, through the Parochial Church Council, contributes about £950 a year towards parish expenses. This is intended to cover such items as postage, telephone and stationery, but John finds most of it goes on the car - a 12-year-old Ford Cortina. Without a car, his official duties - the caring of St George's 13,000 souls - would be impossible. He divides the parish with the vicar whom he assists, and plans his day to meet needs as they arise.

Today there are no crises. After private prayers with the vicar and curate of the adjoining parish, it is John's turn to take mid-week communion. The colossal red-brick church, consecrated in 1924, is like an ice-box: the snow and ice have kept people away. Only Gordon,

the vicar, and Phyllis, the church warden, attend.

After the service, John calls in for a chat at the church community centre - a refuge run by lay workers to help people with problems the social services cannot solve.

After a visit to the local church school, which his sons attend, he goes to an old people's home to give communion. Later, he has promised to see Gerrie, old, alone and in hospital.

Yvonne, an ex-RAF nurse, is equally involved in parish life. She runs a toy library, funds time to be a parent-governor of the church school and helps

with the community drama group. She likes to keep up with fashions if possible. Her pink and grey tracksuit cost £6.99 in the market, where she also buys many of the children's clothes and most of the food.

Today, the midday meal is rice, vegetables from the garden and a few cubes of special offer pork. As the children are entitled to free school dinners, tea is usually a few sandwiches, cake and a piece of fruit.

After tonight's tea, John counts out a few pence and asks Carl to buy a single bread roll from the corner shop for a house communion later in the evening.

John Hetherington admits to the occasional pang of doubt about his decision. "Sometimes I pine to be back fiddling inside a radio. But not for long."

"In this job you confront death, sickness, poverty, old age, every day. In the RAF I was protected from all that, and well paid, too. Yet I can honestly say I feel richer now than I ever did then."

CONCISE CROSSWORD (No 825)

ACROSS

- Schedule (6)
- Plaster of Paris (6)
- Legume seed (3)
- Leopard-like feline (6)
- Difficult (6)
- Abominable snowman (4)
- Preceding era (4,4)
- Swims (6)
- Beget (6)
- Christ (5,2,3)
- Clasp (4)
- Astute (6)
- Maladroit (6)
- Empire dame (1,1,1)
- Brazen (6)
- Surgeon's stitch (6)

DOWN

- Cacophony (5)
- Feed (7)
- Pertinent (7)
- Entrances (5)
- Position (5)
- Slovenly (7)
- Rocky hill (3)
- One more (7)
- Whimsical child (3)
- Absent manuscripts (21)
- Dizzy (5)
- Intense beam (5)
- Time out (7)
- Bowler's sets
- Whimsical child (3)
- Intense beam (5)
- Intense beam (5)

SOLUTION TO No 824

ACROSS: 6 Harsh sentence 9 Rat 10 Cuthroat 11 Sheds 13 Dimness 16 Starter 19 Teeth 22 Incubator 24 Bar 25 Les Misérables 26 Whimsical child 27 Dizzy 28 Absent manuscripts 21 Dizzy 23 Intense beam 25 Maladroit 26 Empire dame 27 Brazen 28 Surgeon's stitch 6 DOWN: 2 Cacophony 3 Feed 4 Pertinent 5 Entrances 6 Position 7 Slovenly 8 Rocky hill 9 One more 10 Whimsical child 11 Absent manuscripts 12 Dizzy 13 Intense beam 14 Time out 15 Bowler's sets 16 Whimsical child 17 Intense beam 18 Intense beam

THE TIMES SATURDAY

The weekend starts here



Landing on air: Judie Tzuke and Nigel Kennedy

Sound of the future

The compact disc has revolutionised home music systems, with laser tracking to give unsurpassed quality of sound. In an exclusive Times test, pop singer Judie Tzuke and violinist Nigel Kennedy find the players that separate the sound from the fury

Spike in the woods
Milligan tunes up for pantomime
Gifts across a generation
Christmas presents for all the family

Portfolio £42,000 to be won

Can you always get your copy of The Times?

Dear Newsagent, please deliver/save me a copy of The Times

NAME _____

ADDRESS _____

ARROW SHIRTS ELEGANCE BACK-STYLE

Arrow

The world's favourite shirt. Available in sleeve lengths.

For your nearest Arrow shop, see the Yellow Pages or write to Arrow House, 25 Savile Row, London W1P 1AA

WORLD INSOLVENT LIQUIDATION 280 PERSIAN ORIENTAL RU

DAY 14th DEC 10am. LOTS 1-14

DAY 15th DEC 10am. LOTS 145-2

INTERNATIONAL HOUSE KENSINGTON

OVER 1000 lots of furniture, carpets, etc.

CASH, CREDIT

FRIDAY PAGE

As the Christmas party season approaches, invitations should be sent with caution

Etiquette of separation

When a couple splits up, is it possible to remain friendly with both of them? Heather Kirby examines the finer points of a growing social dilemma

With so many people getting divorced and remarried, social intercourse is becoming increasingly complicated. Friends want to extend seasonal goodwill to all humankind including ex-spouses but, with no rules of etiquette to guide them, this time of year can bring on a feeling of helplessness.

When divorced couples maintain civilised contact you can shower the extended family with invitations, but it is when the separation has been acrimonious and friends have split into rival camps that problems arise. If you are genuinely fond of both, how do you play the party game without hurting someone's feelings?

There is what Dr Glenn Wilson, senior lecturer in psychology at the University of London and author of *Love and Insistence* (Temple-Smith) describes as the adventure-seeking approach. That is when everyone is invited regardless of how they may feel about each other and the hosts sit back and watch the mayhem.

"This is a form of voyeurism where you witness the embarrassments and retributions and which many hostesses think is amusing", he said. "It is much more civilised to notify the ex-spouse of whoever you have included so that he or she can come or not come to your party, depending on how they feel about their former partner."

"There cannot be any hard and fast rules as you had in polite Victorian circles because there are so many variables and we are more honest today. People sometimes feel very threatened when their friends divorce, especially if they appeared to be a happy couple before. The split gives their friends a shaky feeling that the world is falling apart. They think 'What can happen next?' Such complexities are disturbing to people who like things to remain stable and familiar."

To shield both his friends and his new wife from their mutual embarrassment, a colleague who is besotted and bemused for the third time now appears half an hour before his new better half so that such potentially awkward questions as "How are the children?" are safely out of the way before she arrives.

A conversational chill can descend like a sea mist

Taboo topics, however, can never be permanently avoided. There are so many. Just as there is a golden rule that you never disparage your former partner in front of friends, so friends should never bring up the subject of past shared holidays. But the world did not start on the new couple's register office wedding day, so the best you can do is tiptoe around the conversational minefields. If one blows up you soon know because a chill like a sea mist descends on the company.



New partners are usually introduced at what have been half-jokingly described as 'trial' dinner parties, which smiling friends, their flags gleaming over their forks, pick over the precious lamb you have brought along to show off.

"Their attitude will depend on whether the new partner is in the same age or social group", says Dr Wilson. "They tend to be resentful of someone from a different generation. There may also be some jealousy on the part of people who would like to have the courage to change their own life, to trade in their partner for a newer model or for one who is more romantically attentive."

A friend whose second husband is now an MP says she would rather have all her teeth out than go through the trauma of introducing him to her friends again. "He was so anxious to be accepted instantly", she recalls. "I made a terrible mistake by telling him nobody liked my first husband because he had no sense of humour, so he used to try desperately hard to be funny. At a dinner party when a light bulb went, he stood on the table to change it. While he was up there he danced."

Steve Duck, a senior lecturer in psychology at Lancaster University who has recently been appointed professor of Communication Studies at the University of Iowa, suggests that to smooth your new partner's introduction into your circle you should first prepare your friends. "Because of the background of the relationship and the fact that it has probably been clandestine for some time, it will come as quite a shock when

you introduce someone you know deeply but they have never heard of. 'Rather than present them with a blank sheet of paper talk to them about him or her first. Stir up their curiosity and increase their knowledge and interest. It is quite stressful for people to meet your new partner and difficult for them to pick up all the information they need in one go.'

"The tendency is always to have negative feelings about people you don't know, so your friends are more likely to blame your new partner for the break-up of your previous marriage than you. This is the opposite of what you want. You are hoping they will accept the new person in your life."

There is the fear that divorce can be contagious

The attitude of your social circle towards a new partner can be anything from polite forbearance to ill-mannered hostility, depending on how long the previous marriage lasted, how many children were involved, how old they were, which spouse is out-of-sight or out-of-mind and which they still have to do business with. Even supposedly civilised people will not necessarily desist from poking a new wife in the chest and demanding "How could you?" ... lure him away from his wife and six children or his Hollywood contract. People who are normally polite will cheerfully put down a friend

they think has made a marital blunder. "Whatever does he see in her?" is a fairly common comment.

Nina Cohen, a marital therapist at the Tavistock Institute of Human Relations, puts this down to a deeply held assumption that first is best. "Generally people still believe marriage is for life and that to break up a marriage is a bad thing", she says. "First marriages take on a rosy glow in retrospect."

Although society as a whole accepts divorce, our culture is still so couple oriented that we are deeply suspicious of it as well. There is the fear that divorce is contagious; and there is guilt through association. To fraternise with a person's new partner is in some sense a betrayal, yet the other side of that coin is a need for your friend's approval. It is like buying a new car: you still look out for information telling you it is the best buy. By endorsing a new partner, friends give social support, bolstering a decision that has already been made.

A Christmas card is often the first we hear about a new relationship - it reads "John and Angie" instead of "John and Norma" as it did for 10 years. It is a rather oblique way of making the announcement and a formal card, edged with blue instead of black, might be a better way.

Divorce etiquette decrees that you cause as little embarrassment to your friends as possible, so newly-married couples should send their cards off quickly. Sending or receiving Christmas cards addressed to a couple who have separated can be at best embarrassing, at worst very hurtful.

MEDICAL BRIEFING

Strange tongues don't stick

Regional accents are more acceptable these days, and rightly so, but as any Southerner who has struggled with *Auf Wiedersehen Pet* or a report in the *Lister* tones of BBC TV's John Cole will know, there can be pitfalls.

Research at Lancaster University's Department of Psychology has shown that listeners to news reports presented in an accent with which they are not familiar retain a lot less information than when the report is presented in good old non-descript 'received pronunciation'.

Given a comprehension test immediately after listening to three news stories, volunteer students scored 20 per cent less when the news was presented in a Geordie accent than when it was presented in RP. Their understanding declined yet further when asked to listen to reports in

accents from Yorkshire, the West Midlands and Northern Ireland. Another study showed that long-term recall of the presented facts was also adversely affected by the presenting accent.

One explanation offered by researchers Wendy Bottrell and F. N. Johnson is that the listener considers the RP message to be more prestigious and so processes the information accordingly. Alternatively the RP message may simply be less ambiguous, the listener could be distracted by the regional accent or have to concentrate more on individual words rather than overall message.

Their studies were conducted on young adults who tend to be tolerant of regional accents. Children on the other hand are less tolerant and could be even more susceptible to this effect.

Flushed out

Christmas parties can be purgatory for menopausal women who are prone to hot flushes. Rooms are often hot and crowded, with no escape. The mechanism behind a hot flush remains a medical mystery: a flush happens because the peripheral blood vessels, particularly in the shoulders, neck and face, are unstable and may suddenly dilate, suffusing the skin with blood. These attacks may be spontaneous but can be triggered by alcohol or even a cup of tea.

There are strong links between oestrogen deficiency and hot flushes - the hormone levels fall during the menopause. But it is not a straightforward link: all women suffer an oestrogen deficiency in menopause, about a quarter have no symptoms, and a further 25 per cent can have severe symptoms lasting more than five years.

One theory is that flushes are triggered by the rate at which the hormone levels change, which directly affects the temperature regulation in the base of the brain.

The most effective therapy is hormone replacement, although it is not advised for women who have had cancer. Some drugs normally used to control high blood pressure and migraines can work and herbal remedies have their champions too.

Cold shock

Tea-ladies, although not yet an extinct species, are being superseded by vending machines. Along with tea and coffee, the latest generation of machines dispense cold drinks, and a report in last week's *British Medical Journal* suggests that these may be a health hazard if the machines are not serviced properly.

The cold drinks are made by mixing a semi-frozen neutral syrup with the flavouring of choice. On many occasions the syrup has been found to be highly contaminated with bacteria. Although gut bugs have not been found, there is every chance that they would proliferate, too, if they managed to get into the internal workings of the vending machines.

This could happen if the equipment is turned off overnight to save energy, so the temperature rises and becomes a good breeding ground for the bacteria; and if, when the syrup is topped up, the machine is not cleaned properly.

Dr John Dadsell, director of the Public Health Laboratory, Reading, wrote about the guidelines to be followed to minimise cold-drink health hazards. He particularly mentioned that the water supply should be direct from the mains supply and the dispensing apparatus should be regularly thawed, drained and disinfected.

High-risk holidays

That once in a life-time trip to the Himalayas or Peru may end in disaster - simply because your travel agent gives you insufficient warning about the dangers of high altitudes. A sad letter in last week's *British Medical Journal* illustrates the point. Dr William Benson and his wife from Bristol were on holiday in Peru. They were surprised by the number of elderly people in the party of two dozen.

During the trip the group stayed at 12,000 feet. One man in his mid-sixties became very ill with altitude sickness and tragically died that night. Dr Benson was not sure if his death was due to the acute sickness or to the fact that he was being treated for raised blood pressure.

What concerned him was that there was no warning in the holiday brochure about the height, and it was mentioned as a possible hazard only after a deposit was paid. Too little is known about altitude sickness in this country. Yet doctors should be aware that a sojourn at 12,000 feet, although probably not a problem for a healthy person, could have fatal consequences for someone whose condition is only just stable at sea-level.

Olivia Timbs and Lorraine Fraser

The forgotten illness

Schizophrenia is Britain's most neglected and secret illness, affecting one in a hundred people at some time during their lives. It is not a "split mind" but a terrible mental condition which often causes its victims a life-time's anguish, leads to the disintegration of their entire personality, and destroys those closest to them.

Little is known about the cause or treatment of schizophrenia. Until the turn of the century sufferers were simply considered mad and locked away in asylums. Most experts now consider that it is due to a chemical imbalance in the body or brain. It can start with one serious breakdown from which the victim recovers, but it often leads to recurring bouts of mental anguish.

The dilemma in treating

schizophrenia is that much of the time patients are rational and well, but when they do break down their thoughts are so disordered, their perception so distorted, that they cannot help themselves.

Reforms in the attitude towards the mentally ill in the 1950s have led to the current policy of treating sufferers in the community and to the closure of mental hospitals. But the promise of "care" in the community

has not yet been fulfilled, leaving thousands of ex-patients in prison, on the streets, or in sordid boarding houses. The remainder have been restored to their families who are often left with a tragedy which they cannot cope.

Starting on Monday, The Times three-part investigation "The Forgotten Illness", is by Marjorie Wallace, the award-winning journalist who was involved in the Sunday Times *thalidomide* campaign. It explains what it is like to suffer from schizophrenia or live with someone who is affected. It explores the current state of medical knowledge. And it highlights policies which have combined to create what could be one of the most painful human disasters of the 1980s.

God rest ye, merry who?

I had rather a jolly idea the other evening. I thought what fun it would be for the children to make their own Christmas cards. It would be considerably cheaper than buying cards for them to send, and it is such a jolly fun to save money.

So we got out the card and crayons, the glitter and glue, and prepared to enjoy our selves. Alison enjoyed herself, covering her fingers with glue and dipping them in the glitter until she looked like E.T.'s little sister.

Peter would have enjoyed himself had he been able to draw Christmas trees with symmetrical sides, but his inability to do this threatened to blight not only the evening but also his entire life. He could draw one-sided Christmas trees, but the second side consistently failed to live up to the early promise of the first. He found that extremely frustrating.

To be frank, I've had better times too and, if I wasn't saving money, I think I might have wept.

I was relieved when Peter thought he heard carol singers although I felt that, as it was so early in the season, he must be mistaken. He has had bother with his ears recently and is prone to hearing rattlesnakes, waterfalls, brass bands etc without adequate justification.

However, when we opened the kitchen door I heard them too. They were singing "We wish you a Merry Christmas", and every fifth word was punctuated by the door bell.

I opened the front door and the arc of light from the hall illuminated three boys aged about 10 or 11. Their anoraks were billboards advertising the "A" Team and BMX bicycles. They were latter-day carol singers.

"What are they going to sing?" Peter asked me. He has a Walt Disney notion of carol singers, huddled together with

MRS IONS' CHRISTMAS DIARY



Jane Ions, housewife and mother, reopens her diary to herald the festive season

woolly bobble hats and rosy cheeks, clutching sheets of music and unleashing King's College Choir-sounds into the night air, accompanied by swelling violins and frolicsome cartoon animals.

I could tell at a glance that this wasn't that kind of outfit. What we had here were carol singers of a non-singing variety. This was the kind of choir one is required to buy off. I looked them straight in the eye and determined to squeeze a song out of them.

"What can you sing?" I asked them. They looked faintly abashed. It was awkward, us not realizing that the performance was over. "Do you know 'Once in Royal David's City'?" asked Peter.

The choristers were cast into deep thought. "I know the first line," said one.

"Do you know 'Away in a Manger'?" I asked them.

"Ah", said the head chorister, "I used to know that one. How does it go again?" he asked his fellows. They looked confused.

"How about", I said, anxious to avoid their complete humiliation, "singing the song you've been singing for everyone else?"

"Oh", said the boss, full of regret, "you've already heard that one."

"What about 'Speckled Frogs'?" suggested Alison.

"That's a good one."

"Just give us a couple verses of 'We wish you a Merry Christmas'", I said. "That'll do."

They shuffled together, looking grim and chanted hurriedly: "We wish you a Merry Christmas, we wish you a Merry Christmas, we wish you a Merry Christmas and a happy New Year."

Then they stopped. "Speckled Frogs" is better than that", said Alison.

The head chorister held out his hand for payment. "But we haven't had a verse yet", I objected.

He looked puzzled. "I don't think there are any verses to this song", he said. "I think that's all there is."

"There are about 59 verses", I pointed out.

"Well, I haven't heard of them", he said, losing his grip on his Christmas cheer.

"Ah yes", said the singer on his right. "There's a bit about puddings."

"That's a different song", said his boss, impatiently. The singer on his left spoke for the first time. "Cherio", he said.

You don't have to come to Greece to find METAXA

Let your friends discover the unique taste of METAXA brandy liqueur, imported from Greece. Since 1888 it has become a world-famous name.



METAXA the Greek classic

Available in: HARRODS, SELFRIDGES, ALL BRANCHES OF ODDBONS, SELECTED BRANCHES OF TESCO, SAEWAY, ARTHUR COOPER (ROBERTS), PETER DOMINIC and other discerning outlets.

TO AVOID INSOLVENCY AUCTION

290 PERSIAN AND ORIENTAL RUGS

City Merchant Bankers have suspended export and home market transactions of Persian Carpet Trading Co. Ltd. (Established 1954). They have instructed the auctioneers to realise at hammer prices the entire stocks in bonded warehouses. This is a move prior to foreclosure.

SATURDAY 14th DECEMBER
11.00am. LOTS 1-145
SUNDAY 15th DECEMBER
3.00pm. LOTS 146-290

Stock will be removed from bond to:
HILTON INTERNATIONAL HOTEL, KENSINGTON
Holland Park Avenue, London W11

VIEWING Saturday: 1 hour prior to sale
Sunday: noon to time of sale

INVENTORY
PERSIAN: Kashans, Qums, Isphahans, Nairs, Aishars, Bidders, Belouch, Kirman, Melayer, Sarouk Ghobols. Many silk base and all silk pieces.
TURKISH: Silk Harems, Silk Keyseris, Melas, Doshemali, Yayal, Kers, Yehiback, and other village pieces.
And many others from the major hand weaving centres of the East including numerous old and antique pieces.
Catalogues available at view and sale
Auctioneers: A Wellesley Briscoe & Partners Ltd
144-146 New Bond Street, London W1.

PAYMENT: CASH, CHEQUE & ALL MAJOR CREDIT CARDS.

THE TIMES DIARY

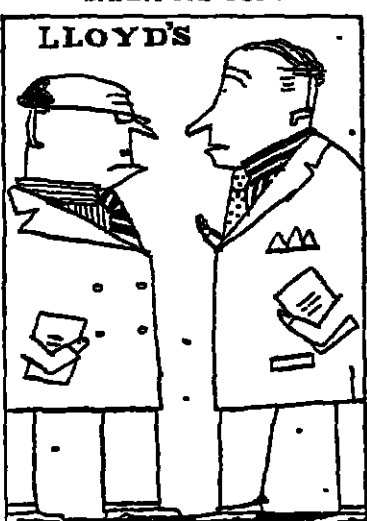
Off-screen agony

More leaked minutes from the BBC - this time revealing its "devastating disappointment" at the Commons vote against admitting TV cameras and questioning the future broadcasting of the Lords. Chris Capron, head of parliamentary broadcasting, told news and current affairs chiefs that the BBC had adopted "mistaken tactics" in not campaigning before the debate, during which he had been "made very conscious of deepening hostility in the Commons towards television in general and the BBC in particular". Political editor John Cole believed it was now "respectable in the Commons to be anti-BBC members who supported the BBC came under suspicion that they were trying to get on to *Newsnight* or other programmes". The vote was "very sad", he said. How would it affect televising the Lords? Capron admitted "there was a problem with money" and "hoped the BBC would not start agonizing over the expense". Margaret Douglas, chief assistant to the director-general, warned ominously that "the Lords were eager for more exposure, but they did not just want to be a stalking horse. The Lords experiment was very expensive."

Tactical retreat

The baton of Nazi field marshal Erhard Milch will not after all be auctioned. Phillips told the vendor, Mrs Anne Walsh, withdrew it yesterday minutes before the Milch family asked a High Court judge to grant an injunction preventing the sale and there must now be a full court hearing to decide who owns it. Mrs Walsh, whose brigadier father broke it over Milch's head when he discovered the extent of Nazi atrocities in 1945, is said to be "fighting mad" that she cannot sell it. The Milch family contends that it is theirs. The judge, meanwhile, questions whether the baton should not be considered a spoil of war and therefore belong to the Crown.

BARRY FANTONI



Can you take out insurance against Brian Sedgemoor?

Off key

Derek Hatton is keen to do right by the Labour movement at the moment. Take next month's pop record, featuring his speeches behind a Mersey beat, in aid of the families of Liverpool councillors threatened with surcharge. As a good trade unionist, he has decided to join the Musicians' Union. Unfortunately, it has turned him down. Record organizer Ronnie Flood tells me: "I thought they'd make him an honorary member. Instead they've told him to try Equity." Officially the union says it knows nothing of Hatton's application.

Scaling down

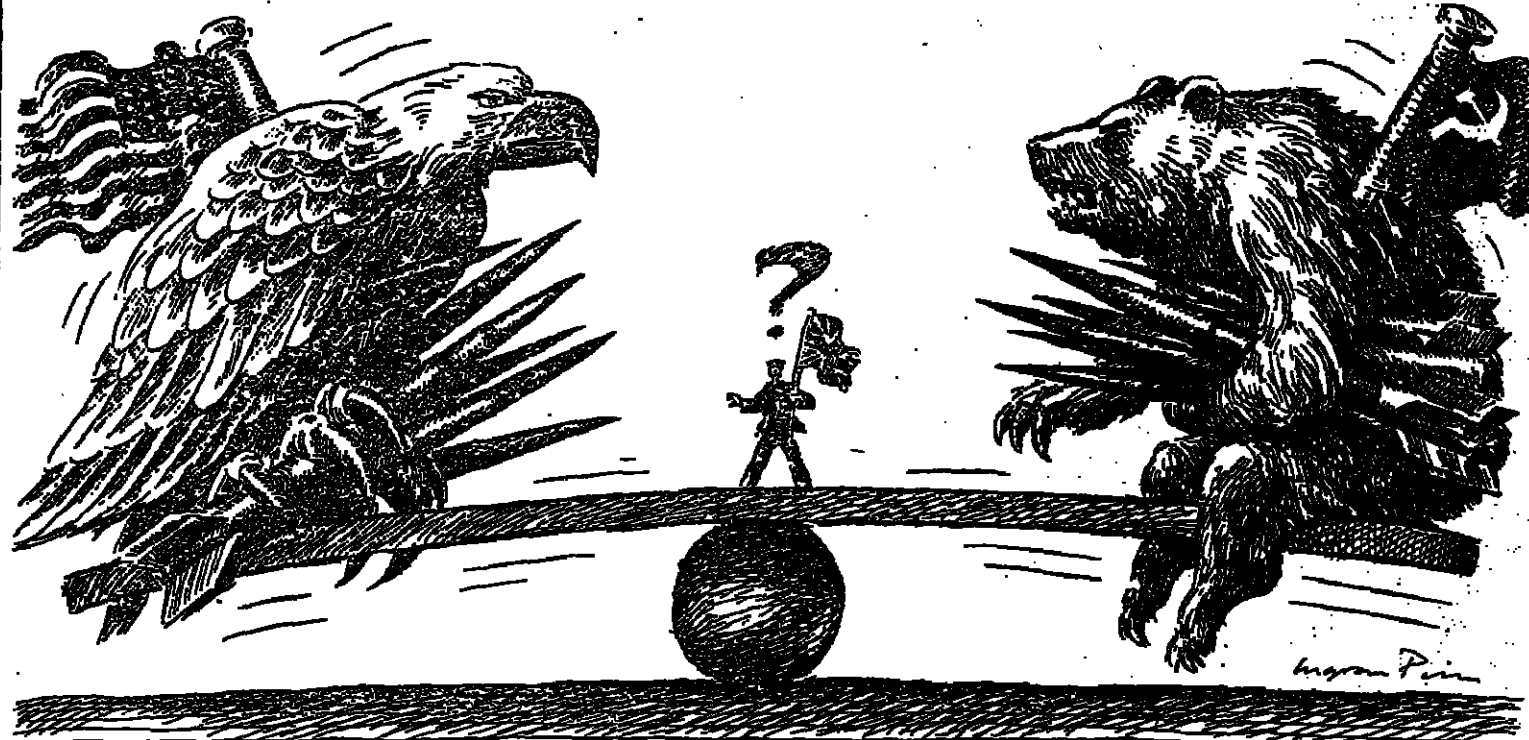
Prince Charles presents the Stone Federation's design awards at the Royal Institute of British Architects today - his first visit to RIBA since his "modest excursion" speech at its 150th anniversary dinner in 1984. This time he seems to be expressing his views more subtly. He asked to visit RIBA's Heinz Gallery, specifically to see the drawings of the classical architects Inigo Jones and Robert Adam and of the modern classicists James Stirling and Jeremy Dixon. Meanwhile his public advocacy of community architecture appears to be having effects. RIBA rushed a paper on the subject through its policy committee on Wednesday - partly, no doubt, to please the Prince, and partly because the Environment Secretary, Kenneth Baker, having heard him talk on the subject on a recent television programme, has asked to be briefed on it before addressing the Prime Minister's inquiry into inner cities.

A meal of it

Norman Tebbit may not, as he threatened, have eaten Neil Kinnock for breakfast after their furious Commons row on Wednesday evening, but he came close to consuming the *Today* team. First he rang to complain in forthright terms after yesterday's 7 am bulletin portrayed him as the perpetrator of the uproar. An hour later he arrived in black mood to be interviewed, curtly dismissed offers of coffee, pointedly declined to sit with the other interviewees in the ante-room, refused point blank to enter the studio until Labour's John Cunningham had left it, and threatened to withdraw from the interview. Tebbit's story is different. He was invited to appear by himself, says a spokesman, arrived to find Cunningham had been invited, and had to resist manoeuvres to get him to go on first. Nonsense, says the *Today* programme.

PHS

Henry Stanhope looks at public confusion over East-West strength



Wanted: a hard sell for arms spending

Two years after cruise missiles were first successfully deployed at Greenham Common, the Ministry of Defence looks like having to brace itself for another public relations campaign - less intense than the last but much more difficult to win. The need for one is evidenced by the results of a new Gallup poll which reveal, despite encouraging support for the country's strategic deterrent, a level of ignorance and confusion about defence in general and the East-West military balance in particular that ministers can only find disturbing.

The poll suggests that more than two people in three are in favour of updating the deterrent. This average figure comprises an overwhelming majority of the Conservatives who were interviewed, but also two-thirds of those from the Alliance and more than half the Labour voters.

On the other hand the poll provides cold comfort for Nato by indicating that the British electorate thinks the United States poses virtually as great a threat as does the Soviet Union to the peace of Europe. Moreover, when asked whether Nato or the Warsaw Pact had more forces or medium-range nuclear missiles, the returns were too similar for comfort. Not only that, but more than 40 per cent voted for the "don't know" - double the number when Gallup put similar questions to the electorate two years ago.

(The International Institute of Strategic Studies credits the Warsaw Pact with 2,685,000 soldiers, 52,600 tanks and 6,880 aircraft in Europe, against Nato's 2,088,000 troops, 20,333 tanks and 3,726 aircraft. The Warsaw Pact has 849 medium-range nuclear warheads trained on Western Europe while Nato has 140).

The poll is already worrying the three defence organizations that sponsored it in advance of a conference called to consider the problems at King's College, London, on Monday. Lord Trenchard, chairman of the conference, himself a former defence minister, said that while the findings confirmed his faith in the good sense of the British public they revealed "extraordinary ignorance and misunderstanding" on questions that tested their detailed knowledge.

Other recent polls have found British people far more supportive of the British deterrent than had hitherto been believed. Dr Peter Foot, formerly of Aberdeen University and now of the Britannia Royal Naval College, Dartmouth, who has done extensive work on the nuclear debate, says previous polls have shown support varying between 64 and 70 per cent - or rather less than that if the emotive word "Trident" is contained in the question.

Ministers now face the difficulty of educating the public on the continuing need for a big defence budget at a time when there is no obvious issue to confront them. It is

now some time since Michael Heseltine won his battle over Greenham Common with the Campaign for Nuclear Disarmament and the women's peace camp - who once seemed more capable than the Russians of causing consternation in Whitehall.

Need the public be so ill-informed. In recent years the Ministry of Defence has made a determined effort to inform and interest the public in defence. Enthusiasm like that briefly kindled by the Falklands war means easier recruiting for the armed forces and more weight behind the Defence Secretary when

several times in this year's edition - which was perhaps the most discursive and least doctrinaire of any so far.

But the truth remains that without a big issue to grab the public's attention, interest soon wanes. An attempt to establish a peace camp at Moleworth in Cambridgeshire, the other cruise missile site, was tipped in the bud as it were, with a flak-jacketed Heseltine himself in the field with his troops. As for Trident, while its place in the British defence programme remains the centre of intelligent controversy among the cognoscenti - and a probable focal point for political argument come the next general election in 1987-88 - it is just now passing through one of the quieter phases of its procurement.

There are those who suspect that CND has been going through a lean time, given the falling interest in defence matters. But CND denies this. A spokesman this week claimed that from a membership of 3,000 in 1978 the organization has grown to 9,000 in 1980, 20,000 in 1981, 30,000 in 1982 and 110,000 today. About 800 a month still join - and more than 2,000 a month when some dramatic development pushes the organization back into the headlines.

But CND admits it would like more interest from the media, whose fickle tastes have changed. The results of rallies, demonstrations and political campaigns are still faithfully relayed to Fleet Street but

Do you think the following statement is true or false? "Before the arrival of US cruise missiles in Britain in 1983 there were no significant numbers of American nuclear weapons in Britain."

True	31
False	42
Don't know	27

he fights his corner against the Chancellor and almost everyone else in the annual Cabinet wrangle over the budget.

Even the Defence White Paper is now a very different publication from that of 10 years ago, with coloured graphs and diagrams, and background essays to educate any layman who might have run out of alternative bedtime reading. "We welcome debate," Heseltine wrote

Which superpower do you believe poses the greater threat to peace in Europe - the United States or the Soviet Union?

	Total	AB	C1	C2	DE
United States	32	21	33	32	36
Soviet Union	33	37	31	34	32
Both equally	28	35	30	27	22
Don't know	7	7	7	7	9

Do you think that Britain should or should not keep an up-to-date nuclear deterrent as long as the Soviet Union continues to possess nuclear weapons?

	Total	Cons	Lab	Lib	SDP/All	Other
(No. of respondents)	1,021	311	347	90	177	25
Should	68	88	52	70	68	64
Should not	23	6	38	22	22	28
Don't know	9	6	9	9	10	8

Julian Haviland on the electoral implications of the Commons fiasco over Scottish steel

High Tory cost of closing Gartcosh



Lambie: might have saved the day

Bray: he produced disturbing figures

Moore: 'We're in a right mess'

case for closing Gartcosh to save an estimated £11 million a year and help it to meet its financial objectives. The other four Conservatives, who acknowledged Moore as their leader, and the five opposition members were either hostile to the BSC board or doubtful, and in different degrees afraid that the loss of Gartcosh would mean the end of Ravenscraig.

At the start of the committee's inquiry into the consequences for Ravenscraig of closing Gartcosh, Michael Hirst, the Tory who proposed it, expected to find evidence that Ravenscraig's position would be significantly weakened.

George Younger, Secretary of State for Scotland, had made clear he would welcome such evidence and use it in Cabinet to argue that Gartcosh, like Ravenscraig, should be guaranteed three years' more life in the hope that demand for steel would improve.

The minister was ready, the committee was eager, the evidence

emerged. BSC stuck to its guns and to its forecasts. It refused to guarantee the future of Ravenscraig, but promised to treat its claims and those of the four other integrated steelworks "even-handedly". The steel consumers weighed in heavily to support BSC and to argue against any interference with its restructuring plans.

But there were plenty of witnesses to make the case for the Cabinet to take a closer look. Jeremy Bray, Labour MP for Motherwell, which includes Ravenscraig, seems to have acted as an unofficial specialist adviser to the committee. He produced disturbing figures suggesting that without Gartcosh, BSC will not have the finishing capacity to cope with Ravenscraig's output.

BSC's own managers in the Steel Industry Management Association (Sima), who clearly know their business, sent the committee a carefully researched document which argued that some of the

board's figures for the capacities of its mills were misleading and, in the case of Port Talbot, deceptive.

Matters were moving Younger's way. When the committee met on Wednesday, the key finding had been agreed behind the scenes by David Lambie and Sir Hector. It read: "We are not convinced that Gartcosh and Ravenscraig can be treated as separate entities, as BSC asserts. We therefore recommend that the three-year guarantee given to Ravenscraig be extended to include Gartcosh, and that the position then be re-examined."

The verdict was far weaker than Labour wanted, but Lambie knew he could move only as far as the Tory majority would move with him. He also knew it would give Younger the weapon he needed for his fight.

But the weapon was never forged. Sir Hector, without warning, produced a far weaker alternative wording. It said the evidence was inconclusive, but that there was an urgent need for the government and British Steel to reappraise it all. Meanwhile, there must be no run-down of Gartcosh.

No one knows what he was up to. He had not squared Lambie. In any event, he had been told that Labour and Bruce, the Liberal, could not retreat further. Worse, he had not even squared his three Tory supporters, Michael Hirst, John Corrie and Anna McCarley, who had no time to decide what to do.

Lambie, had he been sharper, might have saved the report by briefly adjourning the sitting. But time was pressing and he moved to a vote. Moore, now suddenly supported by the four Conservative opponents of his Gartcosh plan, carried his amendment by five votes to four - the opposition voting against him, and his friends abstaining.

A moment later, when the now bloodless report was put to the vote for final approval, the opposition and the Conservative right wing - each for its different reasons - thoroughly disgusted - combined to kill it off.

Many hopes died with it perhaps many jobs, and perhaps a few promising careers.

David Watt

Thatcher - muddler or pragmatist?

The central feature of British politics this autumn has been the Government's open conversion to pragmatic economic policies. Less attention has been paid to the pattern, stylistically still more confusing, of our external affairs during the past few months.

On our right we can see the old unreconstructed Iron Lady making rude "teeny bit" gestures at the Commonwealth, and flouncing out of Unesco. Suddenly, on our left, appears Mrs Thatcher, the great appeaser, diluting unity of the kingdom in favour of the Irish.

On the one hand she can be seen putting her money with almost reckless abandon on the "special relationship" with the US, involving Britain up to the neck in President Reagan's Star Wars and rushing to New York and Brussels for the privilege of an hour or two in his company. On the other we observe the budding European statesperson acquiescing at Luxembourg in all sorts of mildly federalist rhetoric, accepting the principle of an extension in majority voting in the European Council, and riding roughshod over all objections to the Channel Tunnel.

This muddle, like the Government's macabre doctrine of economic policies, can be defended on grounds of pragmatism. Has not British foreign policy always been a hard core of opportunism wrapped with varying degrees of modesty, in the gorgeous colours of strategic consistency?

Yes, but in this case it is clear that the inconsistencies proceed from the turmoil of the Prime Minister's own thoughts and from her restless warfare with a bureaucracy and occasionally even a Cabinet with very different instincts and perceptions from her own.

The Prime Minister remains above all a strong nationalist. Her background and instincts are insular and even chauvinistic. After a period when she left foreign policy to Lord Carrington, she has become more and more obsessed with it and has now taken almost complete control. The Foreign Office, which she still tends to regard as a kind of Trojan horse constructed by the outside world, reports that it cannot remember a period in which more trivial decisions had to be cleared with No 10.

British foreign policy really is in a Homeric state of siege. The "topless towers" of Mrs Thatcher's *Widdowshausen* dominate the scene. Beneath are encamped an ill-assorted and persistent army of officials, sapping away at the foundations with rational arguments of the national interest, restricting prime ministerial sorties where possible, sometimes making a breach and even capturing an important turret or two - but without ever quite being able to storm the citadel.

Recent events illustrate the fluctuating course of this struggle very well. In the case of Reagan's strategic defence initiative, the Prime Minister had almost all the relevant parts of Whitehall against her. Much of the Foreign Office and some, though not all, of the Ministry of Defence are unhappy at giving any further encouragement to Star Wars - on the familiar ground that it will add a new twist to the arms race and, if successful, make Trident obsolete and decouple Europe from the US.

The Department of Industry is fearful that British participation will

draw far more scientific know-how from Britain than it will import, for which reason Lord Britton made a strong last-minute attempt to stop it.

The "deal" survived simply because the Prime Minister had publicly committed herself and Michael Heseltine at a very early stage. It was almost a reflex action in her to support Reagan against the great army of "wets" and to try to cash in on the "special relationship" for a quick slice of the action. By the time second thoughts had been marshalled, it was much too late.

In the case of Unesco, she had things all her own way because nobody who disagreed with her thought the issue important enough to expend valuable time and ammunition on. The logical policy for Britain at this stage would have been to postpone resignation from the organization for one more year. This would have enabled us to keep up the pressure for reform, avoid charges of narrow vindictiveness and take credit for having already achieved some changes as a result of our earlier threat. Logic, however, does not take account of the fact that Unesco, apart from its present notorious inefficiencies, epitomizes just the kind of Third World moralism that Mrs Thatcher is least disposed to tolerate or understand.

Seen in comparison with the relatively easy triumphs for prime ministerial prejudice (to give "prejudice" a more neutral name), the besiegers' latest victories have been hard-earned.

Mrs Thatcher remains a European minimalist to the core, but she has not been able to escape the steady squeeze exerted by a bureaucracy (and, to be fair, a Foreign Secretary) who endlessly deploy the logic of Britain's position and weakness. Britain desperately needs a liberalized internal market in services in Europe; very well, a price must be paid. Again we must hedge against the imperfections and uncertainties of the American "special relationship" - and where else can we turn but to a more effective political entity in Europe?

The Irish agreement must have cost the Prime Minister even more emotional trouble. Whatever government propaganda may assert, it affects British sovereignty in practice - and far more publicly than the new voting arrangements in the European Council.

Mrs Thatcher's willingness to compromise a principle at the centre not only of the whole Falklands episode but of her entire philosophy is a triumph for her own intelligence and ultimate sense of political realism. But it was a close-run thing and not achieved without a desperate struggle. Indeed, unless there had been heroic efforts by pragmatists in the Cabinet - Lord Whitelaw and Douglas Hurd in particular - and the Whitehall apparatus, it would not have happened at all.

These battles between the Prime Minister and her advisers are not particularly edifying. The confusion of purposes and expenditure of spirit that most of them entail, even the most successfully concluded, are very costly.

The only comfort is that they can be seen, with a bit of historic imagination, as representing the tension between the ingrained internationalism of an old imperial power and the new defensive nationalism of a defeated nation. If so, perhaps they are inevitable and may produce, in time, a genuine post-imperial synthesis.

moreover... Miles Kingston

And lo, the scribes had great joy

"What do you think of this sign?" said Ram. He held up a large, handwritten notice which read: "This Friday the Four Apostles will be in this shop to sign copies of the Gospels."

"Like it," said Zeb. The year was AD 65. The place was the Middle East. The location was a large department staff in downtown Ephesus, proprietors Ram and Zeb.

"On the other hand," said Zeb, "I don't get it. Why do we want Matthew, Mark and the other two tramping around the place, putting their names on things?"

"Because it will help to sell the book," said Ram. "People will say, 'Oh, this one's got the author's signature on it. That will make a nice investment.'"

"So we should put the price up?" "No, no. But we will sell more copies."

"How many more?" "I should think all told that we might sell, in toto, as many as eight copies of the Gospels."

"Eight?" said Zeb. "That's a runaway best-seller!"

Ram and Zeb had not been in publishing long. Their best-selling item so far had been *Understanding the Roman Tax System*, which had sold four copies and was about to go into a second printing. The trouble was, it took the scribes so long to get a copy finished - not only that, but Zeb and Ram suspected people of borrowing the book and making their own copies. Piracy, they said.

"My theory is," said Ram, "that with Christmas, so near, the followers of the Apostles will buy the book to give each other as presents."

"What's Christmas?" "Oh, for heaven's sake, Zeb, haven't you read the books?"

"No," said Zeb. "I'm a publisher, remember. I don't have time to go round reading books."

can give to each other.

"Get some more Gospels written, you mean?"

"I was thinking more of humorous books. A *Hundred Things to do with a Dead Roman Centurion*. The *Wit and Wisdom of Julius Caesar*."

"Caesar's been dead a long time." "So we don't have to pay him anything."

"I don't get it," said Zeb. "These Christians take life very seriously, so they say, and you really think they're going to celebrate their religion by giving each other funny books?"

"It's just a hunch," said Ram. "Maybe if we had them wrapped in gold paper..."

"What do you mean, wrapped?"

"All done up in fancy papers. With 'Happy Jesus's Birthday' written on it."

"I think you're going round the bend," said Zeb. "One Christian does it up in papyrus and another takes it off. Who gains from that?"

"We do, if we sell them the fancy papyrus. Look, let's wait till Friday and see how the book goes. But if it goes well, I've got another idea."

"What's that?"

"I've been thinking to this that Paul of Tarsus, the one that's been writing the big crowd, and he's got an idea for a sequel. The working title is *The Acts of the Apostles*. See, they read the Gospels and they say, 'Wonder what happened next? Bam! We bring out the follow-up next Christmas. Then, perhaps, separate editions of his letters.'"

"As Ram jabbed on, Zeb wondered unhelpfully where it would all end; then broke off to serve a customer. In fact he turned out not to be a customer, but a reporter from the *Ephesus Chronicle* who had heard that the four Apostles were in town and wondered if an interview might be arranged. Zeb didn't know, but he said he'd be in the first of the public as well."

A new collection of Miles Kingston columns, *Moreover*, Too... has just been published by Penguin at £2.50.



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

STEADYING WORDS

Mrs Thatcher and her Chancellor have given essential confirmations of their shared economic priority. From both the Prime Minister's speech on Wednesday night, and from Mr. Nigel Lawson's contribution to yesterday's parliamentary debate on the economy, we have learnt again that lower inflation is to take precedence over tax cuts.

Their combined message is a welcome and steady influence on the speculation that has surrounded Government policy for the past month. Both Mrs Thatcher and Mr Lawson were partly, if unwittingly, to blame for the atmosphere of go-go pre-election economics that surrounded the Chancellor's Autumn Statement, in which the political need to cut taxes had seemed to have overtaken budgetary caution. They have now done their best to set the record straight. In so far as lower oil prices meant lower Government revenues, Mr Lawson implied yesterday, so it would necessarily reduce the scope for tax cuts. The commitment to financial prudence remains paramount.

This strategic clarity contrasts favourably with the doubts and confusions of the Opposition's Budget policy on which Mr Lawson repeatedly teased the Labour front bench yesterday. There remain some elements in the Chancellor's counter-inflation strategy, however, which are less clear. From both Prime Minister and Chancellor we learnt again that the need to bring down inflation takes pre-

UGANDA'S AGONY

The violence has now penetrated every level of society. On the streets of Kampala, many old scores are being settled by murder. In the local vernacular, the killing is known as *gogolimo* meaning a "cleansing of the past". But in the grim tradition that Uganda has set, today's killings will be avenged tomorrow. And what *gogolimo* really signifies is the collapse of all semblance of law and order.

Amid the havoc, however, there are some discernible developments. Since the military coup in July which ousted Obote, the rebel movement, the National Resistance Army, led by Yoweri Museveni, has consolidated its one-third of the country. Museveni's guerrillas are reputed to be more effective and more disciplined than the army factions under Kampala's control which include a large number of former Amin soldiers. The closer that Museveni's forces have moved in recent weeks towards taking Kampala, by force, the less inclined he has become to sign a peace accord with General Okello's Kampala regime which would give him only a slice of power rather than all of it. With

RATES OF ACQUITTAL

Do juries acquit too many guilty people? A Home Office Research Unit study - published earlier this week - shows that in contested cases where the accused has the right to elect between trial by magistrates and trial by jury he is twice as likely to be acquitted if he chooses the latter. This finding will come as no surprise to anyone familiar, from either side of the dock, with our system of criminal justice. Folklore has it that magistrates hear the same defences so often that they acquire a built-in scepticism about a defendant's innocence, while juries, lacking the justices' experience of criminal trial, are gullible in their assessment of the defence case and (especially in urban areas) mistrustful of police evidence.

Whether or not these beliefs are true, numerous other factors probably account for much of the difference between the acquittal rates. One feature of trial by magistrates during the period covered by the study was that, unlike in jury trials, there was no advance disclosure of the prosecution case, so making it much harder for the defence to prepare adequately for the trial. This has now been changed, and over the longer term the removal of this disadvantage of summary trial ought to go some way towards

reducing the disparity in verdicts.

Delay is also a factor. There is a longer waiting period before a case comes on for trial in the crown court than in a magistrates' court during which time prosecution witnesses' recollections may fade and some witnesses may become unavailable. The backlog of crown court cases is now a great problem.

Even if the backlog could be eliminated, this would not remove one fundamental difference between crown court trial and trial by magistrates. Whereas defendants in magistrates' courts are often represented by solicitors, in the crown court they are defended by barristers. This seems to make a difference. The Home Office study found that defence counsel were twice as successful in exposing inconsistencies in prosecution witnesses' evidence in crown court cases than were advocates in the magistrates' courts, and that defence counsel in crown court cases were far more likely to elicit evidence favourable to their clients in their cross-examination of prosecution witnesses.

Whatever the explanation of the divergence in acquittal rates, it seems reasonable to infer from

complain of the burden of high interest rates while simultaneously conceding increases in labour costs substantially above the level necessary to protect the standard of living of their employees.

Government policy should not be geared to the failure of management. It should not be prepared to allow the pound to fall in order to preserve competitiveness that has been dissipated by failures of cost control in industry: that way lies the vicious spiral of devaluation and inflation that even the Labour Party now seems to realize is no basis for an economic policy. But if Government policy seeks to circumvent British wage inflation by forcing the pound up too high, it will achieve price stability only at the cost of further industrial losses.

This was the lesson painfully learnt during the Thatcher Government's first two years. It could prove even more painful during a period when oil prices are falling rather than rising, heightening speculation against the pound. The task of Government in this period is to strike a proper balance in its exchange-rate strategy. Britain's budgetary problem, as Mr Lawson rightly told the Commons, is now fundamentally under control: all we need is his continuing commitment to keep it that way. The remaining source of Britain's inflation is pay. That cannot be cured by Government. Nor, however, can Government policy serve to conceal it.

NRA guerrillas now positioned within 30 miles of the capital, the prospects for a negotiated settlement are slim.

Sooner or later General Okello's Kampala regime can be expected to fall. Okello's troops, coming mostly from Northern Uganda have always acted there more as an army of occupation than as a protective force. But a change of regime in Kampala alone is unlikely to bring an end to the conflict. If Museveni takes power, his regime may well prove capable of efficient government. But it would amount to southern control of national government, and it would leave the north and south more seriously divided than before.

There is little that foreign states can do to help resolve Uganda's agony. What is needed, above all, is a determined effort at reconciliation between Ugandans themselves. On past performance, it is unlikely to happen. But Western influence, however small, should nevertheless be used towards encouraging this objective, whoever is in control of Kampala.

the Home Office study that some of those defendants whom the jury acquitted might well have been convicted by the justices. Whether this means that juries are more likely to acquit the guilty, or that magistrates are more likely to convict the innocent, is a matter of pure speculation. The answer may simply be that defendants, guilty or not, are being acquitted by juries because the case against them is not strong enough to withstand the close scrutiny to which it is subjected in the crown court.

One remedy may lie in improving the prosecution process. Research evidence tends to suggest that the police have been bringing an unduly high proportion of weak cases to court. Prosecutions ought not to be instituted on the basis of a prima facie case against the defendant, but only if there is a reasonable prospect of conviction.

The police need to be better prepared for trial than they have been to date. This is the challenge which will face the new Crown Prosecution Service when it comes into operation next year. If it does not succeed in reducing the present rate of jury acquittals, ordinary citizens will have every right to be aggrieved.

LETTERS TO THE EDITOR

Compassion and the inner cities

From Mr R. J. Rees
Sir, Unlike David Hart ("Cities: this soulless way to salvation", December 9), I do not feel competent to discuss the existence and nature of the soul. Perhaps, however, I may be allowed two comments on his rather confusing essay.

First, Mr Hart asks: "What is compassion if it is not a spiritual exchange where one who is not suffering offers to take into his soul some of the spiritual burden of one who is?"

The answer is that if compassion means no more than this it is a very questionable virtue. The Good Samaritan did not offer anything as nebulous as a "spiritual exchange" (which his client was in no position to appreciate anyway). Instead he supplied prompt first aid, transport, and money for medicine and accommodation. Like the bishop who refused to "preach to empty bellies", he thought "spiritual exchanges" were not enough.

Secondly, Mr Hart tells us (no doubt correctly) that the present Government believes "the only way to banish poverty is to create wealth". This is a misleading slogan, the more because it is half true. But creating mountains of wealth will not help the poor unless they get some share of it.

It would have been helpful if Mr Hart had told us what he means by "those who have a talent for wealth creation". Should it be steel workers, perhaps, or farmers who produce masses of apparently unwanted food, or merely financial wizards who make fortunes in the city? Presumably he cannot mean doctors, teachers, nurses, policemen, social workers, or members of her Majesty's Forces - none of whom, as far as I know, directly produce any wealth at all.

Yours faithfully,
R. J. REES
60 Eversand Road,
Rhos-on-Sea,
Colwyn Bay, Clwyd.
December 10.

From Mr Frank Field, MP for Birkenhead (Labour)

Sir, David Hart's attempt (December 9) to pin a Marxist label on *Faith in the City* is simply absurd. That the report mentions Marx a few times in 400 pages doesn't make it Marxist, just as its use of the word "sin" doesn't make the report sinful - although I accept that some politicians would like to argue so.

His analysis would have been more effective if he had discussed the process by which the Church believes change can be brought about.

Not surprisingly, the report sees the most effective counter-offensive against urban decline as being mounted by the Government. Where the report is weak, however, is that it does not think through the

position. Had it done so it would have seen that just as important as getting Government to take the right actions (or, at least, not the obviously wrong ones) is to face squarely how much this will cost and who should foot the bill.

This has been done before. With the decline in the importance of personal charity which accompanied the rise of the welfare state Canon Bartlett highlighted the Church's role in creating a body of cheerful taxpayers. The task is still in hand, but on this report is silent.

A second weakness is the gap between diagnosis and prescription. The report makes modest proposals by which the Church can, in the language of the New Testament, appear as "the city on a hill". It makes modest suggestions for a small fund to finance inner-city projects. Neither match up to the report's truly impressive analysis of the task facing the nation.

There are two decisive actions the Church itself should consider. The report argues that one of the weaknesses of British capitalism at the present time is that in its thirst for short-term profits the long-term needs of society and the economy are sometimes forgotten. If this is indeed so the Church's argument would be more challenging if it sought ways to use its £1.7 billion worth of assets to underwrite investment in inner-city areas where returns will be below the current market rate.

Similarly the report appears unaware of the role of symbols in our lives. As a symbol of a total change in emphasis the Church could move its bureaucracy from the plush areas of Westminster to one of the inner-city areas. Apart from the small staff needed by the Archbishop of Canterbury in London, the Church Commissioners, the Pensions Board and the Synod could be moved and in so doing identify with and pledge the regeneration of one of the desperately depressed areas described in the report.

The central message of the New Testament is to invite us to become a certain sort of character. This invitation was accepted by the first Christians and they so lived out the message of the New Testament in their own lives that they began to change the society in which they lived.

The British electorate is usually more impressed by what people do than by what they say. For the Church to follow through its important report, *Faith in the City*, by putting into practice in its own affairs the intentions and recommendations of the report, would pose the most effective challenge yet to the Government.

Yours faithfully,
FRANK FIELD,
House of Commons.
December 11.

Falling birthrate

From Mr Patrick Carroll

Sir, The report and table that appear under your headline, "Conception outside marriage up by third" (December 4) give some indications of major social trends. Conceptions inside marriage are indeed much reduced and the total of live births has continued to fall short of replacement level by about one sixth for the past several years.

Though fertility has not been the subject of research on the same scale as mortality and morbidity, it is possible to suggest several explanations for such a decline. Equal opportunities for women in paid employment make it unattractive for women to take up child-rearing full time. Greater participation in further and higher education by girls leads to later family formation and smaller families as a consequence.

The trend to owner occupation means that more couples on average incomes have large mortgages. When interest rates are high two incomes are required to service the mortgage.

There is all the more need to research such an important change in our society since the pressures that lead married couples not to

have children are the same as the pressures that lead other couples to neglect and maltreat the children that are in their care.

Children are perceived to be disadvantageous. Child benefit has not been increased to maintain its value. Tax relief for children is not available. Parents who lash out at their children may feel unfairly burdened financially.

The adverse consequences of a prolonged fall in the birthrate are most apparent when the cost of pensions in the future is considered. In the State pension scheme, both in Serps (State earnings-related pension scheme) and in the financing of the basic pension on a pay-as-you-go basis, the demographic deterioration and consequent increase in cost can be anticipated with some precision. Private schemes that are funded, i.e., paid for in advance, have to meet the increase in cost all the sooner.

There is no escape from the consequences of ageing.

The longer this problem is ignored the more drastic will be the remedial action required.

Yours faithfully,
PATRICK CARROLL, Director,
Centre for Actuarial Statistics,
35 Canonbury Road, N1.
December 4.

Public share ownership

From Mr W. R. Merton

Sir, While there are excellent arguments in favour of bringing public utilities under shareholder control and even better ones for spreading share ownership to employees and the general public, the methods used by the Government and their advisers seem highly inconsistent.

Ever since the introduction of gross discrimination in taxation in favour of institutional investors as against individuals, the proportion of shares held by the latter has greatly fallen. It is all very well for apologists to say that employees have an interest in shares of private-sector companies through their pension schemes, but this is a far cry from actual share ownership.

Why then, in selling off shares to the public, does the Government still favour the institutional investor at the expense of the individual? In the case of British Telecom so large a proportion of the shares on offer

were earmarked (at an effective discount) to institutional and even foreign investors that there were not enough to go round for private investors, who had to be rationed to a very small allotment, while those who applied for any substantial amount were actually refused any at all.

The subsequent witch hunts for multi-millionaires seem an equally absurd consequence of the procedure if the Government is in earnest in restoring a greater proportion of share ownership to the private investor.

When it comes to British Gas, surely the only consistent procedure is to offer all the shares to the public while insuring the success of the offer by underwriting with institutions (whose nationality is quite immaterial).

Yours faithfully,
WILLIAM R. MERTON,
Kingsbrook House,
Headley,
Newbury,
Berkshire.
November 29.

Telephone charges

From Mr I. D. T. Vallance

Sir, British Telecom is being criticised by Baroness Burton of Coventry (December 3) and by the Director of Age Concern (November 27) for its recent price changes. Each argues that increases are at the expense of the domestic user and to the advantage of large companies.

Both your correspondents, however, overlook the fact that the price changes comply with our licence obligations; that BT has improved the low-user rental rebate so that it is now worth £20m a year and extends to 2,750,000 of our customers; and that our current profit figures are not

at all excessive for a company with a turnover in excess of £7bn.

British Telecom, by the will of Parliament, has entered a competitive regime and intends to flourish in it, but not by penalising the less well-off members of the community. Far from it.

We pay special attention to the needs of the old, the infirm, and other groups - and if we do not, we know that our 1.7m shareholders, all of whom are our customers, will want to know why.

Yours faithfully,
IAN VALLANCE,
Corporate Director,
British Telecom,
81 Newgate Street, EC1.
December 4.

Moral obligation on Arts Council

From the Chairman of the Sadler's Wells Foundation

Sir, I wish to draw attention in your columns to an action by the Arts Council of Great Britain which I believe to be quite indefensible.

For a number of years Sadler's Wells Theatre has received from the GLC a revenue grant amounting to over £150,000 per annum. It is the only major grant from a public body which the theatre receives. We get no grant from the Arts Council itself.

When the Government decided to abolish the GLC and the other metropolitan councils it recognised that the sudden termination of their grants could put a number of important artistic bodies, including Sadler's Wells, at a grave risk. The Government therefore gave the Arts Council an extra £25 million to enable it to fund such bodies when the councils were abolished.

The purpose of this extra money was made abundantly clear and the present Minister for the Arts and his predecessor have assured me that Sadler's Wells was one of the bodies they had in mind in calculating the extra money given to the Arts Council.

Yet now the Arts Council have announced that they do not propose to help fund Sadler's Wells and four other bodies getting grants from metropolitan councils. Their justification is that it has never been their policy to fund receiving theatres, that is, those which present visiting companies rather than retaining their own permanent companies and that were they to do so for these particular theatres it might create a precedent.

I cannot believe that they intend this argument to be taken seriously since to use money given to them for a specific purpose for that purpose can hardly create a precedent. Other receiving theatres are not in this category.

I can only hope that the Arts Council, as a public body, will on reflection appreciate that, having accepted this money from the Government, they have a moral commitment to use it for all the purposes for which it was given instead of arbitrarily excluding certain bodies.

Yours faithfully,
ROGER FALK, Chairman,
Sadler's Wells Foundation,
Sadler's Wells Theatre,
Rosebery Avenue, EC1.
December 12.

Politics by punch-up

From Mr J. E. Duggan

Sir, Yesterday our Euro-MPs brawled in public and their Westminster counterpart behaved like hooligans. Daily, there are scandalous reports from high places in business and local government, whilst striking teachers (for what reason?) have abandoned their vocational ideals and their responsibilities to the children under their care.

With such evident lack of standards and moral leadership from the top, it is really surprising that we have unrest and disorder in our society?

Or is the tail now wagging the dog?

Yours sincerely,
J. E. DUGGAN,
231 Ben Jonson House,
Barbican, EC2.
December 12.

From Mr Alan Smith

Sir, The reception accorded in Ulster to a British secretary of state by those who claim to represent the "loyal" majority in that province must raise once again in many minds the question of what possible advantage to the inhabitants of Britain there can be from continued association with such people.

It is time, perhaps, that somebody sought to give expression to the views of that other majority: the non-ranting, non-marching, long-suffering taxpayers of this kingdom who have to foot the bill for subsidising "loyalist" intransigence.

If the majority in Northern Ireland repudiate the authority of her Majesty's Government in the United Kingdom, it is not at all impossible that the people of this country will draw some conclusions about where their own majority interests lie.

We may not know much about Ulster, but we do know what we like! Yours faithfully,
ALAN SMITH,
63 Leopold Road, SW19.
December 11.

Tyne Bridge by-election

From Mr Gerald Kaufman, MP for Manchester, Gorton (Labour)

Sir, I do not know Mr Colin Smith of London, SW1, who vilifies Harry Cowans in his grave letter (December 7), but I did know, admire and have great affection for Harry Cowans.

Any suggestion that Harry, as an MP or in any other capacity, was any kind of extremist is disgraceful and contemptible. Harry had more democracy in his little finger than Mr Colin Smith can have experienced in his whole life. Extremism was foreign to his nature and to his behaviour. He was a warm, fine, decent man - as well as a brilliant Member of Parliament - who lived democracy every day and practised its parliamentary manifestations with instinctive skill.

I had the privilege of working closely with him when, in the House of Commons, he masterfully deployed that skill in defending free and responsive local government.

In comparing our new and welcome colleague, David Clelland, with Harry Cowans, Mr Smith is, however, unconsciously, paying David the highest compliment.

Yours sincerely,
GERALD KAUFMAN,
House of Commons.

ON THIS DAY

DECEMBER 13 1846

Pius IX ("Pio Nono") (1792-1878) was pope from 1846 until his death, the longest pontificate in history. In 1848, the year of revolutions, a radical government was appointed in Rome and Pius had to flee to Gaeta in the Kingdom of Naples. Not until 1860, with the aid of the French military, was he able to return to the Vatican and resume his temporal powers.

ROME, NAPLES, AND SICILY.

(FROM OUR OWN CORRESPONDENT.)

NAPLES, Dec. 2.

... The circumstances attending the escape of His Holiness being still full of interest, I cannot avoid again touching on them. It is now said that Pío Nono did not leave the Quirinal in the dress of a servant, but enveloped in a large cloak which concealed his features. I have no doubt the new version is made to save the personal dignity of the illustrious fugitive, but I have no reason to disbelieve the first account I gave. ... Fortunately no suspicion was entertained in the Roman territory, but he had scarcely arrived in that of Naples when he was recognized by a gentleman at the post-house. Madame Spaur, hearing the exclamation, "There is the Pope," with great quickness cried out, "Papa down the hillside, the sun illuminates me!" and the stranger, with half-satisfied curiosity, passed on his way. Three other carriages had left Rome for the purpose of creating a diversion when the flight was discovered, and the plans were so well laid that, when the escape became known, every one supposed the Pope had gone to Civita Vecchia. At 9 in the morning of the 25th the fugitive arrived at Mola di Gaeta, and in company with Cardinal Antonelli and the Chevalier Armandi, the Spanish Legation, partook of some refreshment at the common hotel of the town. ...

In the meantime Count Spaur arrived in Naples, and, demanding an immediate audience from the King, was introduced by the Nuncio, Monsignor Corbelli, and presented to His Majesty: an autograph letter of the Pope, in which he informed the King of his arrival, claimed hospitality for the Head of the Church, and stated that if his presence created any political embarrassment, he would at once depart. The King was much affected on receiving the letter, and proceeded instantly to order the embarkation of a regiment of guards in one of the steamers, and at 6 in the evening, as I have before informed you, the King, the Queen, the Princess, and several of the household staff, also by steam to Gaeta. No suspicion was entertained in Gaeta that so important a personage as the Pope was the tenant of the little inn. The Governor alone suspected that he might be on board the French steamer under the protection of the Duke of Hanoover, so that when the King and the Pope were passed in the quickest and most secret manner to the castle, where he found in a few moments the whole Royal Family at his feet. The meeting was most affecting: the venerable Pope stood, with hands extended, blessing, and calling down blessings on the King, the Queen, the Princess, and the whole family, bathed in tears, melted at his feet, thanking the Almighty that the Head of their Church was in safety. ... The news being now generally known, that the Head of the Church was in the castle, the whole of the surrounding population came in with cries of "Viva Pío Nono," and "Viva il Re," and the Pope several times came forth on the balcony to give his blessing to the crowd.

I think the continued residence of the Pope out of the Roman states is open to many and serious objections; and that if the Provisional Government be not put down by foreign intervention, they will profit by it to depose him from his temporal authority. ... He was a close prisoner in the Vatican; not even the foreign diplomacy could have access to him without the permission of the Provisional Government; he had protested in the most fervent manner against all that was doing in his name, and it is asked how, under the circumstances, could the Papal Government have been conducted? As a temporal Prince, the Pope's jurisdiction was limited by his own frontiers, and his flight beyond them might be considered as an abdication; but as the Spiritual Head of the Church, his power takes a wide range - it extends to all parts of the known world where the Roman Catholic religion prevails, and it is absolutely necessary that his person should be free from all restraint for the proper exercise of that authority. ...

Permanent poles

From Mr Roger Underhill

Sir, Yet again they have just finished taking down the temporary and scruffy flagpoles in the Mall, only to put them up again presumably for the next state visit in a few months' time.

London is fortunate in having what must be one of the finest processional ways in Europe. Would it not be a good idea to invest in permanent flagpoles worthy of London and of our distinguished visitors, be they heads of state or tourists?

In the long run it might even be cheaper. Yours faithfully,
ROGER UNDERHILL,
Travellers' Club,
Pall Mall, SW1.
December 9.

Chinese puzzle

From J. A. Gere, FBA

Sir, Your saleroom correspondent refers (December 10) to the sale at Christie's yesterday of an early Ming blue and white dish, "of a sort which can fairly be regarded as a barometer".

Are any steps being taken to ensure that this rare and important early scientific instrument is secured for the Science Museum? Or will it be yet another item in the tragic tale of losses suffered by the national heritage?

Yours faithfully,
J. A. GERE,
21 Lamport Road, SW10.
December 10.

Intensive farming

From the Director of Compassion in World Farming

Sir, John Young's reports (December 2) on the meat trade raised interesting points. As he rightly says (feature, p12) "the slaughterhouse is something we would rather not think about." This could well be so, for although we like to think that all animals are stunned before being killed, in practice the electrical tongs used to stun sheep and pigs are sometimes ineffective, being held in place only long enough to achieve immobilisation rather than unconsciousness.

The electric water tank used to

stun poultry is also missed by those birds who lift their heads at the moment of immersion. It is reckoned that stunning fails for around 500,000 broiler chickens every day!

Half the meat eaten in the UK is consumed in catering establishments. It is known that the veal used in the catering trade is imported "white" veal, which comes from calves still kept in darkness in narrow wooden crates, unable, for most of their lives, to turn round.

Eggs are fattened in crowded conditions and the breeding sow often spends most of her life standing on concrete, surrounded by metal bars, unable to turn round -

the infamous "dry sow stall". Compassion, as Mr Young points out, is "understandable" indeed in such circumstances.

No wonder the Government is under pressure from organisations such as Compassion in World Farming to make drastic improvements in slaughterhouse practice and conditions and to phase out barbaric systems of intensive livestock production.

Yours faithfully,
PETER ROBERTS, Director,
Compassion in World Farming,
20 Lavant Street,
Petersfield,
Hampshire.
December 3.

December 13, 1985

A modern model for prosperity

Why shaky Kohl is back in favour

On these occasions it is customary to say that West Germany is an economic giant but a political dwarf. The assumption is that this is odd. But with only a little hindsight, it is clear that it is more or less what you would expect, given the circumstances Germany found itself in 40 years ago.

A country which had twice in under 25 years started invading its neighbours, the second time under Nazi rule, was unlikely to be allowed to become a political giant again. That it was able to after its first defeat in 1918 only increased the likelihood that it would not be given a second opportunity. And once the Morgenthau plan, which aimed at crippling German industrial potential after the war, was immoral, or at least impractical, it was probable that once the country had endured the immediate post-war years it would become an economic giant.

Although historians and others may differ as to the reasons, West Germany seems to be peculiarly suited, by education and character, to doing the things which make a country prosperous in the second half of the 20th century.

The historical evidence suggests that the consequences of Germany trying to be anything other than an economic giant and political dwarf in the foreseeable future, particularly the reaction of the Soviet Union, are too terrible for the rest of the West to contemplate. To their credit, this view seems to be shared by the majority of West Germans.

Nor is it necessary to keep reassuring West Germany, and ourselves, that it is a model democracy, which it is. Given the nature of the Germany which the Federal Republic replaced, that West Germany was occupied in 1945 by victors who espoused the democratic ideology, and that the West Germans later decided to bind themselves in an alliance with the democracies, it could scarcely be otherwise. Similarly, East Germany, which was occupied by and bound into an alliance with the opposite system, is a model tyranny.

None of this is intended to detract from the achievements of the Federal Republic. If it



Power brokers at the Bonn summit: François Mitterrand, Margaret Thatcher, Helmut Kohl, Ronald Reagan and Yasuhiro Nakasone

was always likely that it would become an economic giant, as Germany had been before 1914, the sheer size of the giant could not so easily have been predicted. Its economy, even with ups and downs, is a phenomenon which is so manifestly successful that in the politics of both West Germany and the rest of the world, opposing sides claim it for their own.

In Britain, Social Democrats and traditional Labour have explained West Germany's wealth as deriving from co-operation between unions and management in a classless society. The "free market" right has said it was essentially the result of economic freedom, starting with Ludwig Erhard's original act of faith in abolishing controls in 1948.

Only the left has for 40 years remained unimpressed, holding to the view that West German prosperity is not here to stay.

However, that is a minority view. Most of us accept that West Germans are well off, particularly compared to the British, and are likely to remain so.

Whatever political or economic philosophy explains all this wealth, one thing should be agreed: it is the result of their own efforts. No Marshall Aid, a

generation ago, could explain such prosperity of today. In any case, Britain received rather more Marshall Aid than Germany.

West Germany was given a better chance than its predecessors to install model democracy. The Weimar attempt failed on the matter of allegiance. Army, courts and conservative forces did not accept the legitimacy of the state. The previous Hohenzollern institutions were thought to have been illegitimately replaced by Social Democrats and opportunists, taking advantage of Germany's temporary setbacks in the field.

The Federal Republic labours under no such difficulties. Doubtless, it has its authoritarianism. They will support whatever, in such a republic, looks most authoritarian. Thus, they were pleased with the *Berufsverbot*, or career-ban, after the terrorism of the 1970s, which tried to prevent radicals from holding such posts as teachers. But the *Berufsverbot*, whatever its excesses, was introduced under Chancellor Willy Brandt. The intention of its authors was to protect democracy, not to subvert it.

West German democracy has been made easier by prosperity. The republic has had its

scandals. Had the workers been less prosperous, they might have taken to the streets in protest at politicians in Bonn who lined their pockets, or gave secret donations to political parties while they suffered. But the Federal Republic has, all along, been a country in which people who bear constantly in mind the relationship, in

"Once more, in the early 1930s, when unemployment had risen to six million and families had to manage on a dole of 20 Reichmarks a week, he was able to observe the correlation between economic misery and political extremism. By the end of that period there were only Communists and Nazis: the centre had simply

been eaten away."

Nonetheless, West Germans must live, for many years more, with a world wondering whether their present democracy and prosperity will last. It seems to be the only big question which we foreigners ask about it.

Germany, as far as the rest of us are concerned, is a country with a past, and a problematical future - but no present. No present, that is, other than to remain stable and rich. This is

an unheroic destiny for the land of the *Heldenleben*, but an inevitable one. This is also the best possible Germany as far as w.e. its neighbours, are concerned.

But some of any country's future can be foreseen, or roughly predicted, and West Germany's is less worrying than most. Inflation, the annual rate of which was down to 1.8 per cent on the latest figures, is expected to fall to about 1.5 per cent next year. The standard of living, measured in terms of disposable income, should go up by between four and five per cent over the same period.

Unemployment, as in Britain, remains the opposition's best issue against a Conservative government. But it is considerably lower than in Britain - more than two million, or less than nine per cent. The government claims that new jobs are being created at a rate of 200,000 to 300,000 a year.

And, as in Britain, the unemployment statistics are open to objection as an accurate measure of the number of people drawing benefit and truly without any other means of income. West Germany too has a black economy.

Frank Johnson

WEST GERMANY - BASIC FACTS

Area: 95,985 sq miles
Population (April 1985): 61,022,000
Gross national product (January to June 1985): DM865 billion
Exports (January to September 1985): DM398.6 billion
Imports (January to September 1985): DM348.9 billion
Exports to Britain (January to September 1985): DM34.1 billion
Imports from Britain (January to September 1985): DM28.5 billion
Rate of exchange: £1=approximately DM3.77
Source: Federal Statistical Office, Wiesbaden

The next general election is due on January 25, 1987. The present government under the chancellorship of Herr Helmut Kohl is a centre-right coalition consisting of Herr Kohl's conservative Christian Democrats (CDU), Herr Martin Bangemann's Liberal Free Democrats (FDP) and Herr Franz Josef Strauss' Bavarian Christian Social Union (CSU).

Herr Bangemann is Minister of Economics. Herr Strauss prefers not to accept a Bonn portfolio but to remain in Munich as prime minister of Bavaria - frequently making difficulties for the amiable, and less brilliant, Herr Kohl, for being insufficiently tough, or right-wing, or whatever is Herr Strauss' complaint of the hour.

Herr Strauss is one of those politicians, familiar from the British political system, who resent not having become head of government and is determined to create additional problems for anyone who has. He remains by far the most interesting West German politician.

The Social Democrats are unlikely now to win an overall parliamentary majority in 1987. At best, if they got more seats than the Christian Democrats, they would be dependent on the support of another group. It is assumed that the Free Democrats would not go in with them, for fear of being accused of changing sides a second time in four years.

That leaves the Greens, the uniquely-German leftist-ecological party. But, as well as arousing the passions of Germans fearful of the pollution of the forests by industry, they also arouse the passions of the many more Germans who depend for their jobs on that industry. So much so that Herr Rau has said he would not form a coalition with them or accept their support.

It is possible that, in the parliamentary manoeuvring that would follow the SPD's emergence as the biggest party, some Social Democrat, other than Herr Rau, might be prepared to form a government with Green support. There is even talk of the ageing former chancellor Herr Willy Brandt in this connection.

The position of Herr Kohl, and of the government, remained relatively strong until last spring. Then Herr Kohl was thought to have made his position more secure by inducing President Reagan to lay a wreath on German Second World War graves at a hitherto

obscure cemetery at Bitburg, to mark reconciliation 40 years after the end of the Second World War.

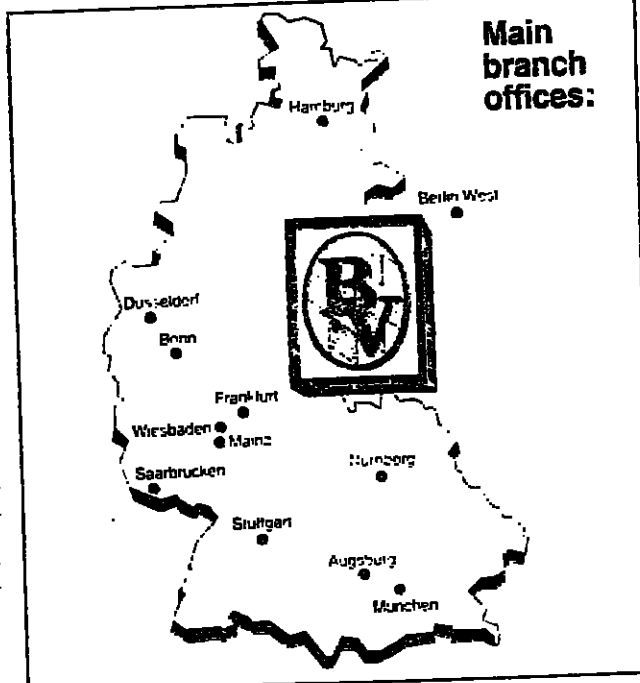
FJ

BV your international Partner from West Germany



You'll find Bayerische Vereinsbank in business centres all over West Germany and in many financial centres of the world. BV's broad range of financial services is backed up by a solid domestic and international network.

Bayerische Vereinsbank is one of Germany's oldest and largest banks with consolidated assets of DM 127.5 billion (30.06.85). We have a two-century banking tradition and offer the full range of universal bank services including retail, wholesale and securities operations, not forgetting our speciality, mortgage banking, where long-term financing gives us added flexibility.



We operate from a broad base of approx. 400 domestic branches complemented by branch and representative offices overseas, equity holdings and correspondents in major international centres such as London, New York, Luxembourg, Paris, Zurich and Tokyo.

Bayerische Vereinsbank AG
(Union Bank of Bavaria)
London Branch
40, Moorgate, London EC2R 6EL
Telephone (01) 628 9066, Telex 889 196 bvl g

Bayerische Vereinsbank AG
Head Office - International Division
Kardinal-Faulhaber-Strasse 1, D-8000 München 2
Telephone (089) 2132-6147, Telex 52 106-0 bvm d
SWIFT: BVBE DE MM



**BAYERISCHE
VEREINSBANK**
AKTIENGESSELLSCHAFT

Prices held, but jobs hit a chill spot

Chancellor Helmut Kohl has apparently taken to peering out of the window each morning to assess what the day's weather might bring. His economics minister, Herr Martin Bangemann, is doing much the same.

The snow in West Germany has come early this winter and it is bad for business. Another fall would not be welcome, not that Herr Kohl need worry too much for the moment. Most economic forecasters are predicting further economic progress and meteorological officials are making similarly optimistic noises about the weather.

The country's export performance has provided the motor for steady economic growth for most of Herr Kohl's second term in office. In fact, exports have been doing rather well, creating a surplus the size of which has prompted concerned rumblings abroad and a little indignation at home.

However, the Chancellor's immediate problem is

is right, unemployment could still be an important political issue in a year from now when the next general election takes place. Herr Kohl, meanwhile, may have to rely more heavily on his government's achievements elsewhere.

One of these, and perhaps the most envied abroad, is the country's remarkably low inflation rate. West German history has undoubtedly created a greater national sensitivity towards the dangers of inflation, but the figures are impressive. Last month inflation stood at 1.8 per cent, and it is predicted to fall to only 1.5 per cent next year.

Prices have been kept in check by a continuing tough fiscal policy, coupled with relatively low wage settlements this year, and by the government's repeated refusal to stimulate the economy by boosting the domestic economy.

Public budget deficits this year, totalling about DM40 billion (£10.6 billion), represent a fall of DM10 billion in a year. That reduction has helped bring about further small cuts in West German interest rates, although they are still relatively high in real terms.

The economy as a whole is predicted to grow this year by 2.5 per cent (compared with some earlier predictions of two per cent), slightly lower than last year's 2.6 per cent, and it should rise by three per cent in 1986.

In the industrial sector, mechanical engineering and electricals are working at near full capacity to meet export obligations and increased domestic orders. Output in both sectors is expected to rise further next year.

The office machines and computers sector is still one of the strongest growth areas, and while it is unlikely to show the rapid rates of this year and last, increases in output next year will probably be in double figures.

The construction industry is beginning to drag itself up from a low point earlier this year, although predictions for 1986 hold scant hope for improvement except in the civil engineering sector.

West German share prices, however, have not risen at such a rapid pace, reflecting, among other things, improvements in company profitability. At the

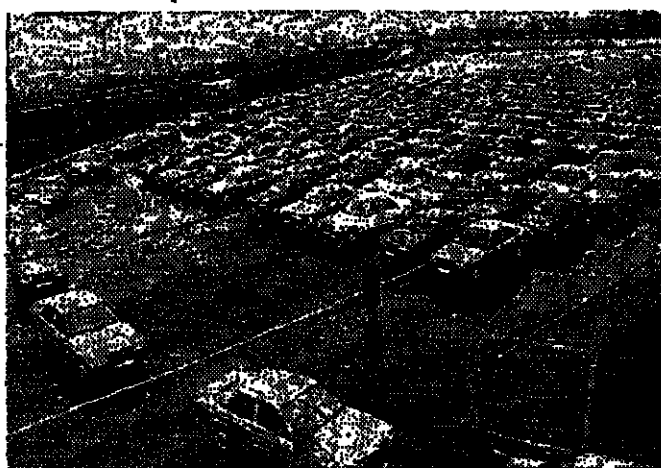
same time, however, bankruptcies of small and medium-sized firms are at record levels.

The share markets look ready for further advances, particularly if the economy lives up to its three per cent growth forecast. However, there is no guarantee that it can continue to rely so heavily on exports to fuel growth, which is why domestic improvements will be crucial over the next few years.

Many economic analysts in West Germany believe that exports will begin to flatten out next year, and could even fall. The rate of increase is already slipping, although at a pace that is hardly noticeable.

West Germany's trade surplus reached an unprecedented DM58.3 billion (£15.5 billion) in the first ten months of this year, compared with DM40.9 billion in the same period last year. The surplus looks comfortably within reach of the record DM75 billion being forecast for the whole year.

Aside from tentative accusations that the surplus could disrupt the world trade balance, there is some concern that the country's heavy dependence on exports makes the economy



Wheels of progress: Mercedes on the way to customers

The West German motor industry is roaring ahead after a troubled 18 months in which production was hit by a long metal workers' strike, and confusion over government plans for stricter emission controls depressed sales. John England writes. Domestic orders are up, exports are strong and the industry believes it could well produce a record four million cars this year.

Last month the government declined to apply a further brake by rejecting a general speed limit of 60 mph on the autobahns aimed at helping reduce pollution from car exhausts.

The production figures for

On the road to recovery

January-October this year show a total of 3.49 million cars and station wagons, or 13 per cent more than in the corresponding period last year. The export volume of 2.24 million vehicles was up by about 20 per cent.

Many German drivers have got the environmental message, and the Federal Vehicles Office in Flensburg reports that more than 25 per cent of the new car registrations in October were of low-emission models. By January, 1986, it is expected a total of 250,000 "environment-friendly" cars will be on West German roads.

Three Social Democrat-governed states - the Saarland, Hesse and North Rhine-Westphalia - which do not share the federal government's view that an autobahn speed limit is not needed, have served notice that they are to examine their legal right to impose one within their own borders.

However, Herr Werner Dörmig, the transport minister in Bonn, has threatened them with federal "compulsion" to toe a national line by applying a "togetherness" clause in the constitution.

Airbus fights for the fleets of the future

The West German builders of the Airbus are hoping for a healthy slice of the multi-billion business which will be generated by world airline fleet renewals in the next 15 years. But they have a tough fight ahead with the American Boeing and McDonnell Douglas.

Airbus Industrie, in which Deutsche Airbus has a 37.9 per cent stake through Messerschmitt-Bölkow-Blohm (MBB), estimates that the airlines will need more than 9,000 new aircraft by the year 2000 to replace ageing models and meet the demands of increasing passenger traffic.

MBB's partners are France's Aérospatiale (37.9 per cent), British Aerospace (20 per cent) and Spain's CASA (4.2 per cent).

German optimism, after a downturn in Airbus orders that led last year to a cutback in production from about five aircraft a month to four and, more recently, to thoughts of a further reduction to three, has been fuelled by signs of renewed interest in the European plane.

The new A-320, a narrow-bodied, short-haul model which is joining the small Airbus "family" of the A-300 medium range jet, introduced in 1974, and the smaller A-310, which

went into service in 1983, is seen as the "locomotive" for the recovery.

Airbus has already booked 82 orders for the 150-seat A-320, which will be delivered from the spring of 1988, plus airline options or declarations of intent on another 172 models. Earlier this year Lufthansa signed a contract for 15 A-320s, with an option on 25 more, plus seven wide-bodied A-300-600s, with options on three others.

Indian Airlines has ordered 19 A-320s and signed an advance contract for 12 more, after deciding to buy 12 Boeing 757s. But they were offered a better financial deal by Airbus Industrie in a protracted Dutch auction, between the

Europeans and Americans, in which the purchase price took repeated nose dives.

Despite these victories, Airbus is well aware that it is in for a long-haul struggle with Boeing for the prize of doing best in equipping the world's airlines for the start of the 21st century. The Europeans reckon the total market is worth \$500 billion.

So far, Airbus Industrie has managed at least about 10 per cent of world airline business. It has its sights set on 25 per cent in the next few years, and plans to expand its "family" at the top end with a medium-sized, long-range jet designated as the TA-11.

The Americans, at least,

believe they might have an answer to the Airbus A-320 in bringing back the propeller to drive airliners through the skies much more quietly and cheaply than current jet engines can. The propfan, a combination of a propeller with up to 12 or 16 blades and a turbine, is claimed by its supporters to hold promise of not only greatly reduced noise and vibration, but also, up to 40 per cent savings in fuel consumption compared with the turbofan jet engine of today.

The West German aerospace industry was given a new dimension earlier this year when Daimler-Benz took over the leading aero-engine makers MTU and then bought control

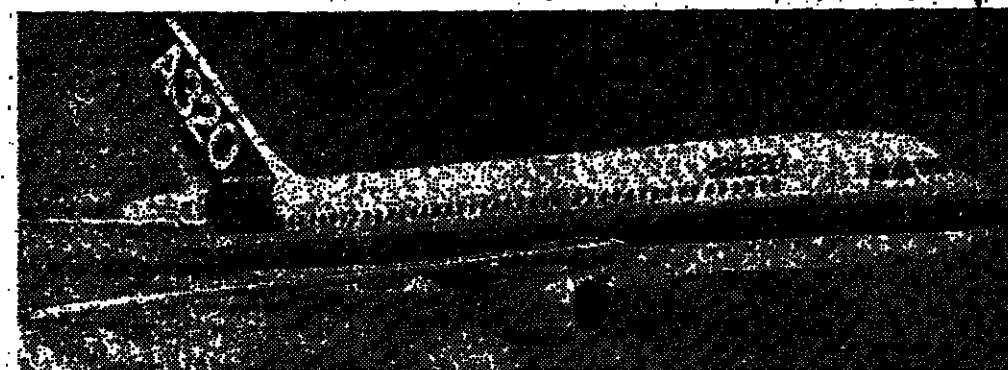
of Dornier. Now interest is centred on a possible move by BMW to buy into the MBB aerospace group, a marriage which, based on the concern's 1984 turnover, would create a huge undertaking with total annual sales of £5,920 million.

MBB has expanded its operations in space by setting up a joint venture with Aeritalia, of Turin, to market space flights and the use of space laboratories and production units by industry. A new company, Intospace, was formed in October by ERNO Raumfahrttechnik of Bremen, an MBB subsidiary, and Aeritalia to offer industry access to space as a laboratory and site for manufacturing.

Herr Heinz Riesenhuber, the federal research minister, has welcomed the move because West German firms so far have shown little enthusiasm for space projects. Only three, Krupp, MAN and SEL, booked research capacity in Bonn's D-1 space mission aboard Challenger last month, a seven-day flight which was the first with West Germans in charge.

A D-2 mission will be launched in 1988, and Bonn plans to have the first German space station orbiting the earth in 1992.

John England



High hopes: Germany is a partner in the consortium building the Airbus A-320

No real signs of job improvement

unemployment, which reached a post-war record last January of 2.6 million (10.6 per cent) after freezing temperatures hit both the retail industry and an already-depressed construction industry.

Unemployment has fallen considerably since January's record level, but the cold snap in November had a predictably bad effect on the monthly job figures. Unemployment rose last month by 62,000 to just over 2.2 million, 8.9 per cent of the workforce. The figure is well below January's level, but it is still the highest November total since 1948, the year of the German currency reform.

There are no real signs of any fundamental improvement on jobs. Three years of steady, if undramatic, growth have failed to have any significant impact, and few are optimistic about the prospects for the foreseeable future. Herr Heinrich Franke, head of the federal labour office in Nuremberg, said recently that unemployment could still be above 2 million by 1990.

Whether or not Herr Franke

bring its Bildschirmtext (BIT) videotext system on to the market. It is budgeted to have one million users by the end of next year. So far, it has only 30,000 subscribers.

The Bundespost is replacing the country's technically obsolete analogue telephone grid with the integrated systems digital network (ISDN). This will provide a single network able to carry all transmissions (such as telex, facsimile and computer data) that take different forms and many of which take separate lines now.

Some in the industry believe ISDN will make it more difficult for the Bundespost to keep out a whole range of services that are fighting to get onto the German market.

Yet, the Bundespost monopoly will be hard to dismantle. The existence of a post ministry is guaranteed under the West German constitution, although many outsiders believe a ministry is an outdated and inappropriate body to deal with the rapid advances of telecom technology. The Bundespost is market-regulator, market competitor and market minister. It decides telecoms policy, allocates the contracts and stipulates equipment design and quality.

However, the winds of technological change are blowing hard and the market itself may be forced to change, whether it likes it or not.

Widespread optimism on the economy

vulnerable to influences outside its control, such as sharp currency swings.

A fear among West German exporters is that the value of the Deutschmark will rise sharply against the European currencies, making their goods less attractive abroad; or that the dollar will tumble, allowing more American goods onto the world market.

Chancellor Kohl, meanwhile, with his eye on the next election, would be the last to consider a theory that suggests that export performance should not be applauded, and few would discourage attempts to seek further sales abroad which could provide work at home.

Exports or not, Herr Kohl can point to some signs of improvement in the domestic economy. He can also take some pleasure in the latest opinion polls indicating a widespread optimism about the country's economic future, and receding fears over unemployment.

Sheila Jones

The West German Bundespost has been accused of many things over the years. For example, it managed to thwart Mickey Mouse fans several years ago by banning Mickey Mouse telephones. One of the reasons for the ban was a regulation stipulating that all phones should be able to withstand being dropped from a height of one metre. Mickey failed the test.

However, the lack of Disney telephones in West Germany is

Time to ring the changes

probably less serious than the accusation that the Bundespost is run by a state monopoly which squeezes out competition and stifles the creative spirit.

Herr Christian Schwarz-Schilling has parried the critical blows as Minister for Post and Telecommunications since 1982, but his task is becoming more difficult. Bundespost critics, among them politicians, users and suppliers, are becoming more vociferous. Foreign manufacturers, and some domestic companies, want to know why they are not members of the "magic circle" of suppliers that appears to win lucrative Bundespost contracts.

Telephone customers want to know why they cannot make collect charge calls from West Germany. Business users are asking why West German telecoms equipment and services are so expensive.

"It is not just the expense that is upsetting business users," explains a telecoms analyst in Bonn. "It is also the sheer drag of having to deal with the Bundespost. It is inflexible, unhelpful, and apparently not in the least bit interested in what its customers want."

One business user complained to the ministry recently that the Bundespost was charging much higher telecom lease rates than anywhere else in Europe. The

company had installed private telecom networks in France, Britain and West Germany, and was paying DM9,000 (£2,200) monthly rental in Britain, DM19,000 in France and DM30,000 in West Germany.

Earlier this month the Bundespost announced it was introducing volume tariffs on leased lines. This means the user will pay for the amount of voice and data transmitted on the line, instead of paying a flat rental. The Bundespost says the move will reduce its overall volume tariffs income, although some companies say it could triple their costs, and might persuade them to take their business somewhere cheaper.

True, Chancellor Helmut Kohl's conservative Christian Democratic Party, which leads the Bonn coalition, is not inclined towards breaking the Bundespost monopoly, but the opposition Social Democratic Party, which could form the next government, is more than half a million, is the country's biggest employer. It is also the biggest employer with investments last year of DM14.6 billion. It made record profits last year of DM3.3 billion. Few within the ministry are in a hurry to deregulate along British or American lines.

Some of the shapeliest criticism of the Bundespost is levelled at the way in which it uses its network to restrict users by applying strict controls over what the user can or cannot plug into the central public network.

It has also been accused of holding back progress in value added network services (vans), such as electronic mail, remote computing and voice messaging. Hundreds of vans systems are on the market worldwide, but only a handful are available, all under Bundespost control.

The Bundespost introduced recently an electronic mailbox facility, one of only three in the country, on an experimental basis. About 50 such facilities are available in Britain.

Last year, the Bundespost

brought its Bildschirmtext (BIT) videotext system on to the market. It is budgeted to have one million users by the end of next year. So far, it has only 30,000 subscribers.

The Bundespost is replacing the country's technically obsolete analogue telephone grid with the integrated systems digital network (ISDN). This will provide a single network able to carry all transmissions (such as telex, facsimile and computer data) that take different forms and many of which take separate lines now.

Some in the industry believe ISDN will make it more difficult for the Bundespost to keep out a whole range of services that are fighting to get onto the German market.

Yet, the Bundespost monopoly will be hard to dismantle. The existence of a post ministry is guaranteed under the West German constitution, although many outsiders believe a ministry is an outdated and inappropriate body to deal with the rapid advances of telecom technology. The Bundespost is market-regulator, market competitor and market minister. It decides telecoms policy, allocates the contracts and stipulates equipment design and quality.

However, the winds of technological change are blowing hard and the market itself may be forced to change, whether it likes it or not.

SJ

Complaints prompted governmental action

Increasing complaints about the Bundespost monopoly have prompted some action. A government commission is examining ways in which the German market could be deregulated and liberalized. It is the third such commission during the past 10 years. The last one, which recommended sweeping changes, was never implemented.

Herr Schwarz-Schilling, meanwhile, points to a "social consensus" in West Germany for things to stay as they are.

Foreign 'guests' who feel unwelcome

Twenty-five years ago, thousands of foreign workers were lured from their homes in Southern Europe to jobs in West Germany, where the domestic labour market was thought to be severely overstretched by the demands of a booming economy.

The Wirtschaftswunder (economic miracle) prompted recruitment of workers in Italy, Spain, Greece, Yugoslavia and Turkey. Promises of work in a land of plenty were fulfilled. The new recruits were welcomed with garlands and bunting. A new word was invented - *Gastarbeiter* - the guest workers who would feed the labour-hungry economy of the 1960s.

Since then things have changed. Rapid expansion gave way to comparative stagnation, and by the early 1980s, the economy was plunged into its deepest recession since the Federal Republic was created in 1949. Unemployment began climbing towards post-war records, and while the West German economy is healthy by European standards, unemployment, at just over 2.2 million, remains stubbornly high.

For the country's foreign population, that figure is evidence the boom times are over. Talk of a few thousand jobs being created over the coming months is cold comfort to that section of society which finds itself at the bottom of the pile in lean times.

If West Germany's immigrant workers were welcome guests in the 1960s, they had become a whipping boy for the country's economic woes by the time recession began to bite. Today they remain an easy target for those looking for someone to blame for unemployment.

Nearly 4.5 million foreigners



Language is just one problem for Turkish immigrants

live in West Germany, making up 7.1 per cent of the country's 61 million population. Out of the total, just under two million are *Gastarbeiter*. The rest are mainly wives and children brought into the country by the family breadwinner, plus 270,000 foreigners registered as unemployed.

A third of West Germany's foreign population is Turkish. Their 1.4 million-strong community is at the sharp end of a widespread hostility towards foreigners. "It doesn't happen only in Germany and it doesn't happen only to Turks," says one young visiting worker. But when people talk of the *Asiander* problem, they usually mean Turks. The other main overseas groups are Yugoslavs (600,000), Italians (545,000), Greeks (less than 300,000), Spaniards (180,000) and Portuguese (more than 100,000). About 20 per cent of West Germany's Turkish population is out of work, more than double the national average of just over 8 per cent.

The largest Turkish communities are in the main cities, including Frankfurt, Berlin, Munich and Düsseldorf, where

Turkish groups, born out of a need for solidarity and self-help, flourish.

West Germany's *Gastarbeiter* work mainly in unskilled jobs in the steel, fishing, plastic processing, catering and car industries. The sort of work that it is assumed, many natives will not do is done by foreigners.

Many companies, however, would admit they would be hard-pushed to carry on if it were not for the foreign labour force. At the Cond Gamm tyre factory in Hesse, for example, a fifth of the 15,500 workforce is foreign. It is assumed, rightly or wrongly, that some of West Germany's public services would collapse without the immigrants.

The country's post-war reputation as a tolerant democracy also needs them. As one official put it: "Germany will be judged by the way it handles minorities."

The chances are that the country's foreign population (although many are third generation) will carry on rising as a percentage of the total population, particularly since the indigenous West German

birth rate is one of the lowest in the world and falling.

The flow of *Gastarbeiter* was halted in 1973, but 12 years on, families continue to join their husbands and fathers there. More than half the country's foreign population stays in West Germany for more than 10 years.

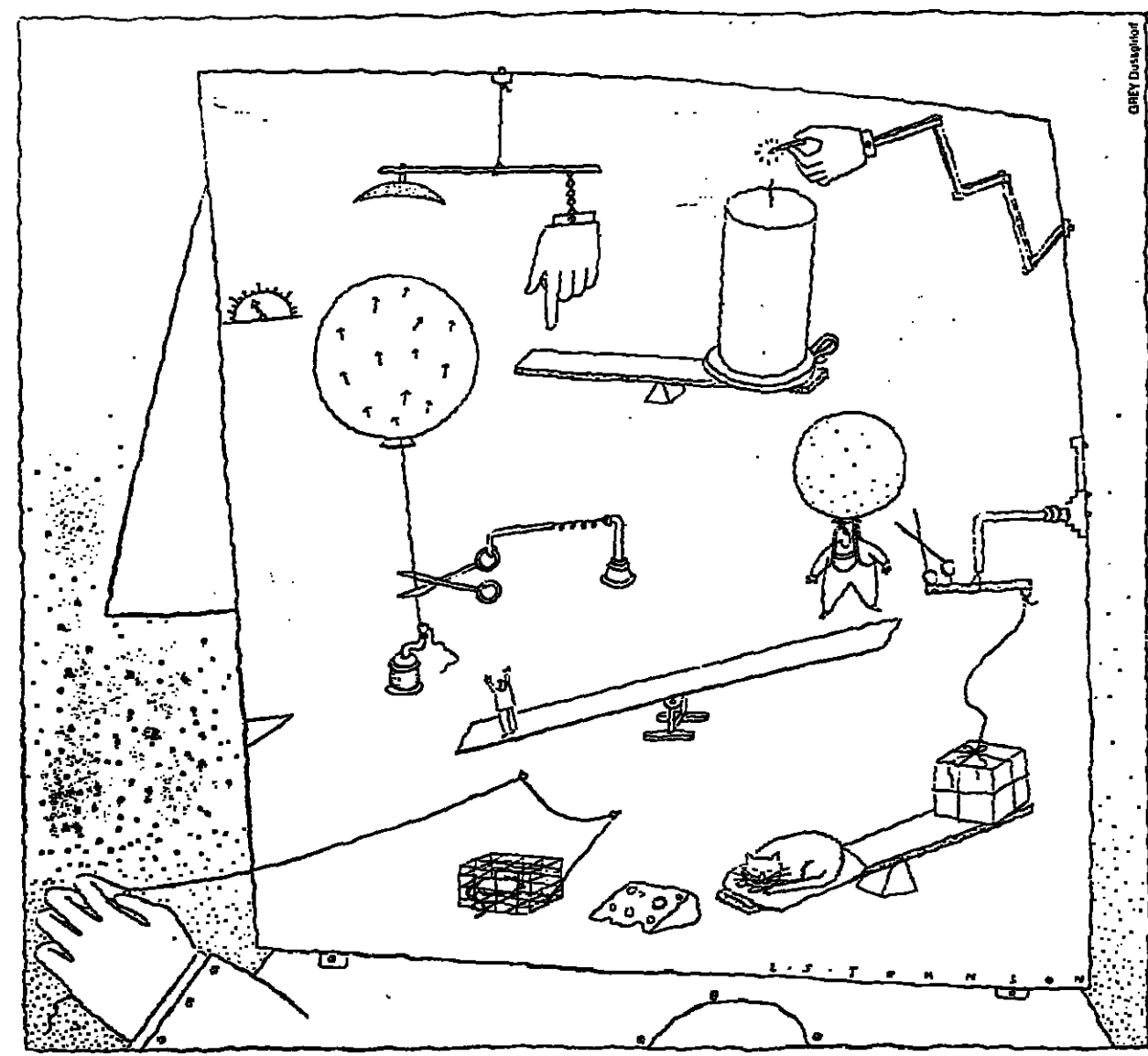
Children under the age of 16 are allowed to join their parents, although the new ruling coalition of Greens and Social Democrats in the state of Hesse has raised the state limit to 18. Herr Friedrich Zimmermann, Minister of the Interior, is reported to favour an age limit of six years.

Chancellor Helmut Kohl's government, fearful of another sharp rise in the foreign population, is leading an attempt within the EEC to renegotiate terms under which Turkey becomes an associate member. Turkey's part-membership, due to take effect from January 1, would guarantee the free movement of Turkish workers in any Common Market country.

The Bonn government tried to reduce the foreign population in 1983 by offering cash incentives in a repatriation programme which ended in the middle of last year. The offer, of DM10,000 (about £2,700) to every worker laid off by a failed company, plus DM1,500 (£400) for each child, was taken up by about 140,000 workers.

The labour ministry in Bonn believes the rest of the programme will be offset by future savings in social benefit payments. Nevertheless, the scheme highlights the existence of a problem which is unlikely to be resolved by the "foreigners out" mentality.

SJ



HOW WE GO ABOUT MATTERS OF INNOVATION.

Our approach calls for solving the most intricate problems of financing with a generous dash of inventiveness and flexibility. This is a quality our clients clearly appreciate, along with our effectiveness at home and abroad. Possibly one reason why we rank high in the German banking world today.

Norddeutsche Landesbank is the 8th largest bank in West Germany and one of the top

hundred in the world. It is a public law credit institution owned by the Federal State of Lower Saxony and the Lower Saxonian Savings Banks. These owners guarantee all liabilities of the bank on a joint and several basis. Norddeutsche Landesbank is a universal bank participating fully in all sectors of the domestic and international banking field. Our group total assets in 1984 came to 88.1

Billion DM. Our subsidiary in Luxembourg and our London branch provide two international operating bases that enable us to look after business interests right on the spot.

NORD/LB
Georgplatz 1
D-3000 Hannover 1
Phone: 311701-0
Telex: 9216-33

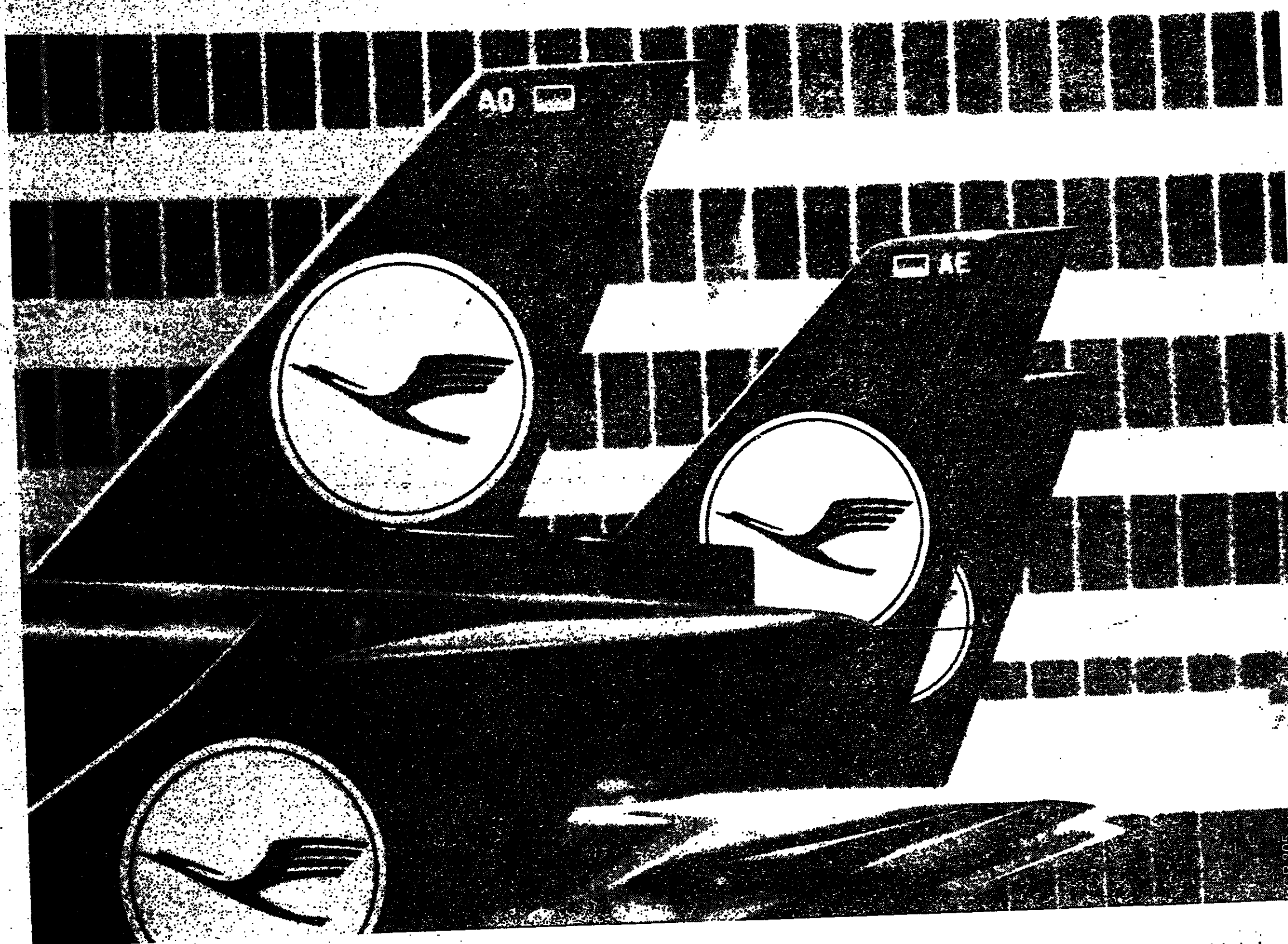
NORD/LB
20, Leininger Lane
London EC 2V 8 2Y
Phone: 607721
Telex: 804882

NORD/LB
Lombardstr. 5 A
20, Rue d'Anvers
L-1490 Luxembourg
Phone: 472991
Telex: 5479

NORD/LB
NORDDEUTSCHE LANDESBANK
GROZENTRALE

Continental Europe's Main Airport.

Frankfurt Main



With 630 take-offs and landings daily, Frankfurt is Continental Europe's main airport. Even Amsterdam has a lot of catching up to do. At Frankfurt/Main Airport

everything is under one roof, making connections fast and easy—in as little as 45 minutes. What's more, you can rest assured that your luggage makes the transfer

with you. More and more British business people are discovering that the Frankfurt connection is often the best way to get to their destination, world-wide.



Lufthansa



Germans love to relax in the fresh air: A couple rest on a street bench in autumn (left) while sartorial twins stride out on a snowy trek.

Fat life in the fast lane

It is reasonable to contrast the miners' strike, the Heysel stadium riot, the murder of the Tottenham policeman, and the general air of menace emanating from the British Isles these days, with the way the West Germans live.

If someone peculiarly ignorant of 20th-century history, preferably from another planet, was shown a representative selection of contemporary Britons and West Germans, and was then asked which of them 40 years ago barbarized Europe and tried to destroy a whole race, we could not be certain that he would point to the right lot.

The important answer, for a Briton, to the question, how do the Germans live? is that they live more harmlessly than, at present, the British. They do not live any longer than the British. The average life of a West German male is 72, and a female 75. And they are more likely to be killed, or to kill someone else, on a motorway.

Motorways in West Germany have a speed limit for cars and, although the official accident figures deny it, a foreigner is in little doubt that, while driving on them, he is closer to death than he would be in Britain.

On the other hand, the West German is considerably less likely to be killed, or to kill anyone, at a football match. Nor is there much chance of a dissipated stand catching fire.

West Germany has its soccer hooligans. One gang, followers of Borussia Dortmund, was classified by the Ministry of the Interior as neo-Nazi, and was led by a man aged 31 who, since his first name was Siegfried, was known as "SS Siegfried". He was sent to prison last season.

They have soccer hooliganism, then, but not as much as in Britain. That seems to be the case with most West German problems. They have riots, and in one of them in Frankfurt this autumn a young demonstrator against a (very small) neo-Nazi party was run over by a police water-cannon vehicle and killed. But these riots are rather ritualized affairs. Probably the largest social group taking part are middle-class students.

For most West Germans, life in their stable country consists of making sure that life is both stable and, within reason, exciting. This explains what are seen in neon or on billboards: *Versicherung* (insurance), and anything connected with holidays. Germans are relentless insurers against all known

hazards of life, particularly death. Then they can go on holiday with peace of mind.

Italy, the south of France, Spain and Greece are flocked to. But they are now taken as routine. The advertisements offer safaris in Kenya, pearl fishing in the Pacific, the temples of Burma, the stimulation of Bangkok. Hitler was wrong when he spurned the pursuit of colonies on the grounds that Germans could not live in hot climates.

Other West Germans balance the stability by looking for diversion in a book. Jeffrey Archer sells well here too. But the population also has the problem of what to do with its huge amounts of education. Thus, a fashionable volume on the West German floor of the Frankfurt book fair this year was the first phase of a life of Bismarck by an East German professor. This contrasted, on the American and British floors, with, say, the memoirs of the last phase of the life of Rock Hudson.

And his son, were each in love with a nurse. It was of course, the same nurse. Neither doctors nor nurses seemed to devote much time to the clinic's patients. Viewing figures are in the high millions. A Social Democratic politician said the show was so damaging to the nation's intelligence, it should only be shown after midnight, if at all. He became, instantly, the most hated man in the country.

Half the West Germans spend the rest of their leisure sitting, and the other half slimming. There is a constant overlap between the two groups. The slimming is new to the nation which, while its chiefly (the United States) spreads the influence of jogging throughout Nato, remained loyal for years to the fattest cuisine in Europe.

As in most things, the huge Chancellor Kohl is typical of the national mood. Last April he flew to a resort with the intention of taking off two stone in 14 days, bringing his weight down to a mere 14 stone. No

The disillusioned apprentices



Foreigners have always been envious of the German education system. In 1870 the French believed that the Prussian schoolmaster had been the engineer of the German military victory. Matthew Arnold thought that the Germans should teach the less enlightened English: "it is science," he said, "that we have most need to borrow from the German universities."

In 1919 the Cambridge economist Alfred Marshall explained why this was still true: "Most of the vast number of German university students get so far in touch with scientific studies that in after life they are inclined to take seriously any scientific issue that impinges on their business."

At the same time as technical education gripped the German universities and revolutionized the mentality of German businessmen, the attitudes of the workforce changed too. Vocational education, through continuation schools, developed from the beginning of the 19th century. By the beginning of this century, there was an obligation on almost all school leavers under 18 to attend.

These schools, known as *Berufsschulen*, turned out generations of excellent technicians. They guaranteed a supply of skilled craftsmen who found employment in a successful industrial economy. After the Second World War, these craftsmen were often supposed to be the spirits behind the *Wirtschaftswunder*.

Now that the West German government, like most western governments, is worried about the extent of youth unemployment, apprenticeship and

vocational training have taken on a new role. They train young people in specific skills. Lord Young, the Secretary of State for Employment, and others believe that Germany represents a near perfect model of the way to deal with a tough social problem, as well as being a purpose-built tool to handle the third industrial revolution.

Unfortunately, there is a large element of myth about this picture. The apprenticeship system is a rather odd relic of an odd past, and is far from being a purpose-built tool to handle the microchip. It was designed originally to limit the supply of craftsmen in order to maintain craft wages - and to preserve something of the tradition of the medieval guild.

Apprenticeships are now subsidized generously by the state. Often the consequences are bizarre. In a recent

Germany has lost more jobs than Britain

well publicized case, an employer (a Christian Democrat politician) dismissed a middle-aged woman (with more subsidy).

The problem was that the middle-aged woman was the politician's wife and the young girl his daughter. State subsidies were being used to create a new version of domestic bliss. The economic consequences of subsidized apprenticeship are sometimes just as peculiar. In 1983 more than 700,000 young Germans went into apprenticeships, but 250,000 of these were for craft professions rather than for industry or commerce. In that year, of those successfully completing their examinations, only 2.4 per cent passed as

"technically skilled craftsmen" - compared with 3.1 per cent of carpenters, 6.8 per cent of motor mechanics, 8.3 per cent of electricians.

In short, Germany has been training the young to repair fridges and cars in a customer society, but not really to service a technical revolution. Most apprenticeships are in inappropriate trades.

As a result, there is an alarmingly high unemployment rate among those who have completed apprenticeships. This year, 84,000 young skilled workers have become unemployed immediately after finishing their courses - almost 15 per cent of the total of those passing the exam. This figure is higher than the unemployment rate for all young people under 25.

So the disillusioned apprentice might be right to think that he had wasted three years learning a no-future job. The government's confidence that apprenticeship is the way to deal with the young appears to be misplaced.

Nor is the argument really convincing that apprenticeship has allowed Germany to escape the shedding of jobs in the 1970s. During the past 15 years, Germany has lost more jobs than Britain.

The pride of the German technocrat has traditionally been the *Technische Hochschule*. These were originally created in the 1820s and had an immediate success in marrying scientific knowledge and business. The optical, chemical and electro-technical industries were born of this union. Have the *Technische Hochschulen* survived better than vocational education?

They have usually been rechristened as *Technische Universitäten* to raise their status. In 1985, of the 1.2 million

students at German universities, 103,000 were studying at technical high schools or universities - an impressive number. Since the mid-1970s the total numbers studying engineering and related sciences have risen continually.

Even here all is not entirely well. Growth in engineering students has been outstripped by the growth in student numbers for social sciences and economics, and the university population of mathematicians and natural scientists has risen only slightly during the past decade.

Supply has not kept pace with the demand for trained data and information technologists. The Federal Institute for Labour in Nuremberg still issues report after report complaining about shortages here - and even in mechanical engineering, a field in which Germany once led the world.

Many German businessmen are seriously worried by the implications of Germany's failure to adjust technical training to new circumstances. At the recent Hannover European machine tools exhibition, a leading German manufacturer complained that German engineers were still too concerned with the long established tradition of making specialized machine tools - rather than software controlled universal tools.

Dr Karlheinz Kaske of Siemens complains that the result of a failure to adapt is that Germany is lagging behind in the newest technologies. It is no longer enough to wait for foreign entrepreneurs to enter a market and to make mistakes from which the German producer can then learn.

Harold James
Fellow in Economic History at Peterhouse, Cambridge and author of *The German Slump* (OUP 1986)



Outdoors Bavaria: Contemplative beer drinking

The Bismarck book has aroused interest because it is, on the whole, favourable to its subject. East Germany has been trying recently to give itself legitimacy by identifying with the Prussian past. The West German edition has a quotation from Marx on the cover. That is said to have been left off the East German edition on the grounds that no one would buy the book.

West Germans also watch what must surely be the dullest television west of the Elbe. But even here the Federal Republic shows its ability to learn from older democracies. After the successful import of *Dallas* and *Dynasty*, West German television has produced its own soap opera: *Black Forest Clinic*.

In the instalment I watched, a final communiqué was ever issued, but the suspicion was that he failed. This was not surprising, since Herr Kohl's favourite foods were plum cake, apple tart, pork sausages, boiled pork, noodles, tortellini, and spaghetti bolognese.

It should be emphasized that the West Germans who insure against earthquakes, go on holiday up the Amazon, read about Bismarck, watch *Black Forest Clinic* eat boiled pork and noodles, and buy slimming magazines are not necessarily Germans. But none of these activities rules out the other. It is safer to assume that, on and off, most West Germans engage in them all.

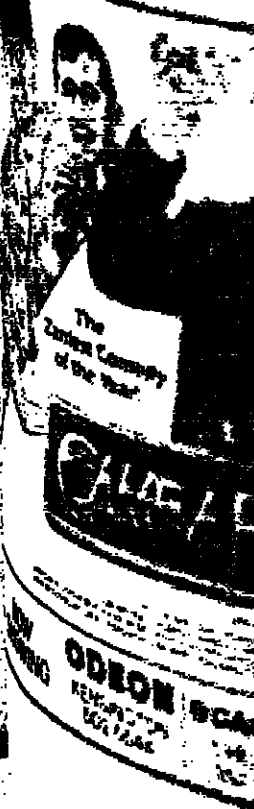
FJ

Status symbols.



"Audi Volkswagen lead European sales"
The Times, November 18th, 1985

Cars that are valued above their price.
AUDI VOLKSWAGEN SEAT SKODA LANCIA FIAT ALFA ROMEO



THE ARTS



Hanna Mikuc (above) in the beautifully played study of spiritual disappointment, *An Unwept Story*, and Peter Bland as Wes in *Came a Hot Friday* having a tough time getting the results away as he plays tag-of-war with a young telephone vandal



Cinema

Irrepressible honesty played without theatricality

Polish season
National Film Theatre

Came a Hot Friday (PG)
Classics Tottenham Court
Road, Chelsea: Odeon
Kensington

Tuff Turf (18)
Classic Oxford Street

Centuries of history have demonstrated the irrepressibility of the Poles, and Poland's cinema possesses the quality in no small degree. Film-makers were a major force in the spiritual explosion of the Solidarity era: remember only Andrzej Wajda's *Man of Iron*. Martial law produced a hiatus in 1982: many films were shelved, a number of the best artists found themselves out of the country or out of jobs; the studios were inactive for want either of materials or of officially acceptable scenarios. Now however Polish cinema is

finding its voice again. As long as two years ago Juliusz Machulski, in *See Mission*, concealed some shrewd barbs about the machinery of political deception under the cloak of comedy. The National Film Theatre's current season shows the process continuing. Pre-1982 films have come off the shelves: the season began with Wojciech Marczewski's *Cheeps* (1981), which derives some salutary general principles from a story of the brutalizing experiences of a young lad in a political indoctrination camp during the Stalin era.

Tonight the NFT shows two 1984 films. Stanislaw Rozewicz's *Woman in a Hat* is remarkable for its uncompromising honesty. Ostensibly it is a somewhat casual account of a young actress who never gets the lucky breaks. Through her problems, though, it offers a vivid picture of Warsaw life today. We observe such daily trivia as the toilet paper famine and the endless wry jokes about food shortages and quality, and we also see a hierarchy that enables the opportunists to clamber on the bodies of the less adept. This is not old-style socialist realism, but a frank portrait of economic and social collapse.

O-bi, O-ba, the End of Civilization, written and directed by Piotr Szulkin, purports to be a fantasy about society after the nuclear war, but seems rather to be a temporal no man's land between the Poland of *Woman in a Hat* and the future world of *Mad Max*. The demoralized and frightened remnants of society fight for existence in crumbling cellars, prey to every kind of racketeer, trading what they can. "I sell my body - you sell your brains; what's the difference?" the hero's girlfriend asks him. The only hope is the illusion that one day a mystical Ark will appear, to carry them to some better place. The film encourages metaphorical interpretations, but in the end remains deeply obscure, with the consolation of occasional striking visual inventions.

O-bi, O-ba stars two of Poland's best actors, Krystyna Janda and Jerzy Stuhr. Polish film-acting currently seems to have shaken off the theatricality which tends to be endemic to Eastern Europe, where most actors are desperately over-worked as they shuttle daily from stage to studio. Hanna Mikuc, the compelling young actress who plays the title role in *Woman in a Hat*,

appears in a different but no less richly layered role in Wojciech Jerzy Has's *An Unwept Story*. Adapted from a Chekhov story, this beautifully played and atmospheric film is again a study of spiritual disappointment.

Came a Hot Friday is an ebullient and disarming picaresque yarn, freely adapted from the novel by the reclusive, alcoholic and gifted New Zealand writer Ronald Hugh Morrieson (1920-1972). The film centres upon the adventures of Wes Pennington (Peter Bland) and his sidekick Cyril (Philip Gordon), a pair of common and carpet-bagger touring heartland New Zealand in the late Forties. Wes has a Micawberish grandiloquence and a questionable sense of mission in cheating bookies across the country, thereby avenging "the poor souls who have been brought to the brink of bankruptcy and even suicide by unscrupulous bookmakers".

In *Tainuia Junction* they find themselves outlasted by a local crime wave that embraces gambling, bootlegging, arson, murder and worse. Their unexpected allies are a slow-thinking innocent (Michael

Lawrence) and a manic Maori (Billy T. James) who has adopted a Mexican accent in the belief that he is the down-under reincarnation of Zorro.

The film, directed by Ian Mune and scripted by Mune and Dean Parker, broadens the farcical element of Morrieson's original, but still retains the quality of folk-tale that distinguishes the writer's work. The corrupt little backwoods shanty town and its denizens come vividly alive; and Stephen McCurdy's music, as much as the old automobiles and clever production design of Ron Highfield, places it firmly in its fast-receding period. Peter Bland, with the fruity manner of an old variety comedian, makes a fine double act with Philip Gordon, as Runyonesque race-track characters. The *Tainuia Kid*, played with great comedy style by the Polynesian pop-star Billy T. James, is a purely indigenous eccentric.

To anyone acquainted with films of the Nazi era, the story of *Tuff Turf* will seem all too familiar. The hero is a blond and blue-eyed Aryan youth (James Spader) whose family have fallen on hard times since father's business failed as a result of the

country's economic difficulties. In the new school to which he is reduced, he falls in love with a blonde and blue-eyed Aryan girl, whose mother has just died of cancer. The girl however is in thrall to the leader of a gang of youths of dusky complexion and inferior race (in the Nazi films they would have been Jews, but here they are Puerto Ricans). The hero assists her emancipation by showing her life on his side of the tracks (the homes and country clubs of Beverly Hills); but the dusky villains pursue and persecute them, beat up the boy and finally shoot his father. In a violent denouement, the boy wreaks righteous and murderous vengeance.

The director was Fritz Kiersch, the writer Jette Rineck and the cinematographer Willy Kurant. Although it may be fanciful to see this efficient, violent teen film as *Hillbilly Elegy* or *Horror House* with a happy end, it is still an alarming reflection of some current American class and race attitudes. Apart from the Puerto Ricans, the only coloured figure in the film is an uppity traffic cop, who is predictably defied and ridiculed by the hero.

David Robinson

Television

Awesome

Cloudwalker (Channel 4), on the exploits of two mountaineers, came as a terrible revelation to those who, like this reviewer, cannot step on to a bus without a distinct feeling of vertigo; here were men clinging to the side of a mountain, known for some reason as the "Moose's Tooth," with nothing between them and earth a mile below. But the programme was interesting less for its account of their specific skills than for its examination of their characters: the two aspects are of course related, but it became quite clear that mountaineers need a larger measure of optimism and self-reliance than is normally available to human beings. Where others would be rendered dizzy just at the prospect of stumbling, the enthusiasm and confidence of these two men drew them ineluctably upwards.

One preliminary climb was known as "Death and Transfiguration", however, which cast an odder light on their pursuit, and it is possible that the sheer physical or emotional enjoyment of this harsh sport is aligned with some vague urge towards self-destruction. "I want to end up on the mountains", one of them said.

The actual ascent of the "Moose's Tooth", even though it seemed to end inconclusively although fortunately not abruptly, was beautifully filmed - and one's admiration for the skill of the mountaineers was matched only by astonishment at the abilities of the cameraman who not only climbed with them but also leaped over precipices (or so it seemed) to film their precarious movements. There is one sense, however, in which such filming might be seen as an intrusion: one of the aspirations, or perhaps obsessions, of the mountaineer seems to be to engage in a solitary communion both with the ancient forces of the rock and with the horror of the perpetual ice. But perhaps nothing is so sacred that it cannot now be seen on television and, even from the relatively safe position of an armchair, the whole experience still had a revelatory quality.

Peter Ackroyd

Concerts

Floods of colourful invention

RBCSO/Elder
Festival Hall/Radio 3

In the dark time, the title of David Matthews's symphonic poem had aroused advance expectations of something slow, gloomy and almost certainly misanthropic out of Mahler and Sibelius, but the truth is even more exciting. The work turns out to have the substance and range of a single-movement symphony, together with a quite unstoppable inventiveness of colour, and to understand its title correctly one needs to open up the quotation from Elgar's *Little Gidding*: "No wind, but pentecostal fire/in the dark time of the year".

There is an allusion also to the fact that the score was written in the dark time of last winter, between September and April, and that the musical form is intended to follow the passage from autumn to winter to early spring. However, the only moment in the seasonal progress that comes bubbling to the

surface is the final first rustling of spring, which arrives with violin semiquavers skipping out of Tippett's *Midsummer Marriage*. This is a shade disappointing, both in its obviousness of expressive purpose and in its second-hand quality. But it is disappointing only because so much that has happened before has been so remarkable.

Leaving aside the climatic connotations, the main body of the work can be regarded as a schema prefaced by a slow introduction, giving way to a slow movement that is, at the end, just starting to rouse itself after huge agonies. The orchestration throughout is exceedingly virtuosic, but most particularly in the scherzo, which races from one ensemble into the next without ever losing steam: Mark Elder and the BBC Symphony Orchestra did the composer proud and kept up an unflagging exuberance.

The direction of the slow music is maybe less assured, but one is kept marvelling at so many pleasures in the scoring -

solo viola over divided cellos pricked by oboes, or guitar and violas in unison - and again this was an admirable first performance, the players seeming to enjoy a score that offers so many of them important exposed opportunities, from trumpets and piccolos to harp and contrabass clarinet.

What is also impressive is the clarity of harmonic purpose that leads at the climax to pure F in octaves Ligeti-like throughout the orchestra, and then at the end to an apple-green kind of A major (the opening colour is a purple-grey G minor, but in between the harmony is as fluently mobile as the orchestration).

Altogether the piece made a strong impression in a strong programme that also included John Lill finding all the determination in Bartok's Second Piano Concerto and Mr Elder refreshing one's enthusiasm for Ives's *Fourth of July*.

Paul Griffiths

LMP/Glover
Queen Elizabeth Hall

The strings of the London Mozart Players missed quite a party. Jane Glover, though batonless here, has passed a magic wand over the LMP wind section this season. They may have missed a bit of the sparkle in the allegros of Mozart's *Wind Serenade* in B flat, K361, but they maintained a beautifully mellow blend in the slow movements. The oboist Celia Nicklin's long floated melodies were outstanding among many admirable solo contributions.

The real fun, though, came after the interval, with the arrival of Sheila Steafel (accompanied by a potted plant

rather taller than herself) to recite Walton's *Facade*. Edith Sitwell's stream of whimsical verse sounds more grossly indulgent as the years go by, but Walton's score remains a masterpiece of concision, all the more miraculous in that its originality is paradoxically founded entirely on imitation.

This entertainment really needs two reciters: one to rattle out the patter lyrics with machine-like insensitively, the other to sustain the sing-song numbers. Miss Steafel was happier doing the latter, in the rapid of the "Hornpipe" and "Tarentella" her timbre lacked the dry, precise quality that would have rendered the text audible (if indeed, that is the aim in *Facade*). But where the

metre gave her more time she was capable of deliciously pointed deliveries: the line verse about Hell being "just as indulgent as the years go by, but properly proper as Greenwich" clearly tickled some here.

The six players hit the right style in practically every number. Miss Glover may have pushed rather briskly through the "Popular Song", but the "Tango-Pasodoble" had a splendid end-of-pier atmosphere; there was an apposite rustic charm about the "Country Dance", and the raucous coda to the "Scotch Rhapsody" was delivered with a vigour that the matted fies of several Highland regiments could hardly have matched.

Richard Morrison

Theatre

The Scarlet Pimpernel
Her Majesty's

This famous and much-loved children's tale of intrigue, derring-do and francophobia was first adapted for the stage by Baroness Orczy and her husband Montague Barrow in 1903 (or 1905, according to which page of the programme you read) and enjoyed a colossal success.

The current version by Beverley Cross provides a grand opportunity for Nicholas Hytner's company to revive the conventions of Edwardian playing, with the ham positively squealing on the bone. That the evening is neither gripping nor significantly amusing is a cause more for regret than for disappointment.

Donald Sinden is admirably cast as the play-acting gentleman of honour whose exploits have to be hidden from his thespian French wife (Joanna McCollum) and he evinces all the charm of a frisky butler with a Dickie Davies blaze in his wig and scarlet heels on his court pumps.

His first entrance (in disguise, naturally) is as a spunky old cooer coming her way out of revolutionary Paris with the aristocrat he has saved from the guillotine posing as a plague victim on a moudering cart. When the alarm is raised, the committee of public safety's special envoy Chauvelin follows her hot-foot to Dover and thence to London. Charles Kay is quite excellent as the sallow, funeral-castoriated (suspicious, this) and fies able support in Andrew Wickes as his incompetent, leather-clad sidekick, but "One



Donald Sinden, admirable casting as Sir Percy

false move and you'll never taste cucumber sandwiches again" gives an indication of the humour with which they pursue the damned elusive mirage.

Chauvelin's opportunity to coerce Lady Blakeney into assisting his quest comes at Lord Grenville's ball - ebony palm trees, Chinese lanterns borne by masked and turbaned retainers - where he promises to mitigate her brother's peril in France if she will intercept a secret message being passed between the Pimpernel's lieutenants, Sir Andrew Ffoulkes (Michael Simkins) and Lord Anthony Dewhurst (Iain Mitchell). Here in one scene is the key to the

whole story's appeal: international intrigue reduced to a house-party charade.

The Pimpernel's cool sees him through, and the dastardly Frenchies are dishd once again. Mark Thompson's design comes into its own after the second-act curtain, when a vast tricolor is ripped away to disclose a bowling green at the Blakeney's Richmond residence, with trailing greenery and twittering English birds; a subsequent scene in the shadow of the guillotine where a party of condemned "nuns" play rugby with the severed heads is a vulgarly best forgotten.

Martin Cropper

Rock

Elton John
Wembley Arena

On the opening night of his nine-date season at Wembley Arena, Elton John executed a show with all the lavish professionalism one might expect from one of rock's most decorated veterans. Seated behind his outsize white grand

piano, with his 13-piece band ranged in front of an abstract set of large stalagmite-shaped protrusions, John led the ensemble through a near faultless rendering of a tiny proportion of his vast repertoire, complemented by vibrant synchronized lighting changes and a clear, precise PA sound.

But, in contrast to the flamboyant showmanship and outrageous costumes and accoutrements on which his reputation as an extrovert live

performer was once founded, he exercised a calm restraint in both the presentation and pacing of the set. True, he was dressed in a dark red suit and tails with teddy bears patterned all over it, and he struggled through a final encore wearing a two-foot high bouffant hairpiece flashing "Merry Xmas", but that was all. For the rest of the time he concentrated solely on playing and singing, eschewing the wild antics and rabble-rousing tactics to the point

New York City Opera

Humdrum humour

At the season's end the New York Times was hailing "City Opera's Astonishing Good Health": "To predict that the company is entering into a golden period in its history may be foolhardy, but... at least it must be conceded that the financial and/or artistic disaster that many sceptics were predicting when Beverly Sills took charge of the company six years ago has not come to pass. Far from it."

One is delighted to hear of the company's financial solvency, particularly in light of the catastrophic fire that destroyed a warehouse containing all the costumes not in use this season (some 10,000, for 74 productions). Artistically, however, one may wonder to what degree the mere ability to have averted disaster necessarily qualifies as "good health". And one had plenty of time during a long night of *Kismet*, the autumn season's only wholly original production, and assorted moments elsewhere to ponder disasters.

The first of the autumn's new productions was *Love for Three Oranges*, by way of Glyndebourne, 1982. Frank Corsaro's direction and Maurice Sendak's design, which portentously evoked a French Revolutionary setting, nevertheless offered a lot of good, clean fun in a work that aspires to do little more than that. But they also offered some high camp that, whether or not part of the Glyndebourne performance, fitted in all too well with the juvenile humour that passes for stage direction at City Opera these days.

Not to wax too curmudgeonly, however, this City was the sort of ensemble effort City

Opera does well, and it was brought off with considerable spirit. As expected, Sendak's lovably monstrous Cook, emitting Wilbur Pauley's booming amplified bass, was the show's star.

The *Kismet* offered more camp, and little else. Having seen the second of the alternating casts, I can only hope the first, with George Hearn and Susan Marrese, was better. Everything else failing, of course, there is still Borodin's glorious music - or is there? Can it ever have sounded so insipid?

Well received as *Three Oranges* was, perhaps the season's biggest hit was a wonder of wonders - a contemporary opera, Dominick Argento's *Casanova*. The work was commissioned by Minnesota Opera to celebrate the opening of its new home, and that company gave the premiere (as *Casanova's Humecoming*) last April.

What Argento (who wrote his own libretto) clearly succeeded in doing, at least on opening night in New York, was to entertain through subjects that he had more on his mind with his hugely ambitious conception than mere farce. Whatever his intentions, his anti-hero derives from his portrayal little of the warm humanity that draws one back to the classic personages of the genre. And the score, though the very conservative that accounts for its immediate success with the audience should not be held against it, does not yield up any striking contemporary personality amidst the mass of eclectic gestures.

James R. Oestreich

The Zany Comedy of the Year!

CAVEAT NOTEM

Now Showing

ODON KENSINGTON 602 6644

CANNON CHELSEA 352 5096

CANNON TOTTENHAM CT. RD. 636 6148

EDGWARE RD. 723 5901

By order of D. H. Gilbert, ACA, Liquidator of P&O Carpets Ltd., (in liquidation)

Formerly one of the United Kingdom's most prestigious and long-established internationally renowned Persian and Oriental Carpet Distributors.

Complete winding up in accordance with Section 293 Companies Act 1948

BANKRUPTCY AUCTION

A VAST, EXTREMELY VALUABLE CONNOISSEUR SELECTION OLD CONTEMPORARY CHOICE, HIGH & EXPORT QUALITIES GENUINE HANDMADE RETAIL & WHOLESALE STOCK DECORATIVE & FINE PERSIAN, TURKISH, CHINESE, CAUCASIAN, AFGHANISTAN, INDIA, PAKISTAN CARPETS, RUGS & RUNNERS in all sizes including very large

URGENT LIQUIDATION

EVENING AUCTION

AT 7.00 p.m. ON SUNDAY 15th DECEMBER

INSPECTION FROM 5.00 p.m. OF THIS PORTION, ON THE PREMISES OF

P & O CARPETS LTD (IN LIQUIDATION)
63 SOUTH AUDLEY STREET, LONDON W1

LONDON ARTS CHOICE
ARTS CHOICE LONDON
CHOICE LONDON ARTS
CHOICE LONDON ARTS CHOICE

DAVID SINCLAIR
NOW BOOKING
DAVID SINCLAIR'S THE SHREDDERMAN MAN
5 Dec-11 Jan, 11pm and 7.30pm
All seats from £4.50. Fri Sat £5.50
"The perfect children's play" TO

RIVERSIDE STUDIOS 01-740 5554
Today, Tomorrow & 19-21 Dec at 8pm
Beverly Sills presents
PLAYING THE RIGHT TUNE
17-19 Dec from 8pm. 7.30pm Workshop
YOUNG, GIFTED & BLACK

BRAN 01-387 6292
Until 4 Jan 2.30pm & 7pm (Fri)
JACK & THE BEANSTALKER

MATTHEW KELLY
BRISTOL WATERMANS ARTS CENTRE
40 Broadford Way, Bristol, N.S.
Until 12 Jan

LASER MAGIC
Food & Drink available. Free Car Park
Also see FREE exhibition. Sat. Sun. and 7.30pm
THE LAST DAY. Fri. Sat. Sun. 7.30pm

David Sinclair

THE TIMES Portfolio

From your Portfolio card check your eight share price movements. Add them up to give you your overall total. Check this against the daily dividend figure published on this page. If it matches you have won outright or a share of the total daily prize money stated. If you are a winner follow the claim procedure on the back of your card. You must always have your card available when claiming.

No.	Company	Your gain or loss
1	INDUSTRIALS L-R	
2	British Airways	
3	Low Midland	
4	Parsons	
5	Low & Bonar	
6	Metals	
7	Peck-Hartley	
8	Reynolds	
9	Manchester Ship	
10	Reynolds	
11	Jaguar	
12	Supra	
13	Lucas	
14	Ford Motor	
15	Drax	
16	Honda Motor	
17	Levi	
18	Auto Products	
19	General Motor	
20	Br Aerospace	
21	FOODS	
22	Park Foods	
23	Matheson (Bertrand)	
24	Hillards	
25	Sainsbury	
26	AB Food	
27	Maxwell Food	
28	ASDA-MFI	
29	Rowntree Mac	
30	Cullens	
31	Kwik Save	
32	INDUSTRIALS A-D	
33	Rafco	
34	AGB Research	
35	Alphacore Metal	
36	Bibby Ltd	
37	Davy	
38	Clayton	
39	David & Newman	
40	Bailey (CH)	
41	Reynolds	

Weekly Dividend
Please make a note of your daily totals for the weekly dividend of £40,000 in Saturday's newspaper.

MON	TUE	WED	THU	FRI	SAT	WEEKLY TOTAL

BRITISH FUNDS

1985 High Low Stock Price Chg % Yld % P/E

SHORTS (Under Five Years)

No.	Company	Price	Chg %	Yld %	P/E
1	British Airways	10.00	0.00	10.00	10.00
2	Low Midland	10.00	0.00	10.00	10.00
3	Parsons	10.00	0.00	10.00	10.00
4	Low & Bonar	10.00	0.00	10.00	10.00
5	Metals	10.00	0.00	10.00	10.00
6	Peck-Hartley	10.00	0.00	10.00	10.00
7	Reynolds	10.00	0.00	10.00	10.00
8	Manchester Ship	10.00	0.00	10.00	10.00
9	Reynolds	10.00	0.00	10.00	10.00
10	Jaguar	10.00	0.00	10.00	10.00
11	Supra	10.00	0.00	10.00	10.00
12	Lucas	10.00	0.00	10.00	10.00
13	Ford Motor	10.00	0.00	10.00	10.00
14	Drax	10.00	0.00	10.00	10.00
15	Honda Motor	10.00	0.00	10.00	10.00
16	Levi	10.00	0.00	10.00	10.00
17	Auto Products	10.00	0.00	10.00	10.00
18	General Motor	10.00	0.00	10.00	10.00
19	Br Aerospace	10.00	0.00	10.00	10.00
20	FOODS	10.00	0.00	10.00	10.00
21	Park Foods	10.00	0.00	10.00	10.00
22	Matheson (Bertrand)	10.00	0.00	10.00	10.00
23	Hillards	10.00	0.00	10.00	10.00
24	Sainsbury	10.00	0.00	10.00	10.00
25	AB Food	10.00	0.00	10.00	10.00
26	Maxwell Food	10.00	0.00	10.00	10.00
27	ASDA-MFI	10.00	0.00	10.00	10.00
28	Rowntree Mac	10.00	0.00	10.00	10.00
29	Cullens	10.00	0.00	10.00	10.00
30	Kwik Save	10.00	0.00	10.00	10.00
31	INDUSTRIALS A-D	10.00	0.00	10.00	10.00
32	Rafco	10.00	0.00	10.00	10.00
33	AGB Research	10.00	0.00	10.00	10.00
34	Alphacore Metal	10.00	0.00	10.00	10.00
35	Bibby Ltd	10.00	0.00	10.00	10.00
36	Davy	10.00	0.00	10.00	10.00
37	Clayton	10.00	0.00	10.00	10.00
38	David & Newman	10.00	0.00	10.00	10.00
39	Bailey (CH)	10.00	0.00	10.00	10.00
40	Reynolds	10.00	0.00	10.00	10.00

FIVE TO FIFTEEN YEARS

No.	Company	Price	Chg %	Yld %	P/E
1	British Airways	10.00	0.00	10.00	10.00
2	Low Midland	10.00	0.00	10.00	10.00
3	Parsons	10.00	0.00	10.00	10.00
4	Low & Bonar	10.00	0.00	10.00	10.00
5	Metals	10.00	0.00	10.00	10.00
6	Peck-Hartley	10.00	0.00	10.00	10.00
7	Reynolds	10.00	0.00	10.00	10.00
8	Manchester Ship	10.00	0.00	10.00	10.00
9	Reynolds	10.00	0.00	10.00	10.00
10	Jaguar	10.00	0.00	10.00	10.00
11	Supra	10.00	0.00	10.00	10.00
12	Lucas	10.00	0.00	10.00	10.00
13	Ford Motor	10.00	0.00	10.00	10.00
14	Drax	10.00	0.00	10.00	10.00
15	Honda Motor	10.00	0.00	10.00	10.00
16	Levi	10.00	0.00	10.00	10.00
17	Auto Products	10.00	0.00	10.00	10.00
18	General Motor	10.00	0.00	10.00	10.00
19	Br Aerospace	10.00	0.00	10.00	10.00
20	FOODS	10.00	0.00	10.00	10.00
21	Park Foods	10.00	0.00	10.00	10.00
22	Matheson (Bertrand)	10.00	0.00	10.00	10.00
23	Hillards	10.00	0.00	10.00	10.00
24	Sainsbury	10.00	0.00	10.00	10.00
25	AB Food	10.00	0.00	10.00	10.00
26	Maxwell Food	10.00	0.00	10.00	10.00
27	ASDA-MFI	10.00	0.00	10.00	10.00
28	Rowntree Mac	10.00	0.00	10.00	10.00
29	Cullens	10.00	0.00	10.00	10.00
30	Kwik Save	10.00	0.00	10.00	10.00
31	INDUSTRIALS A-D	10.00	0.00	10.00	10.00
32	Rafco	10.00	0.00	10.00	10.00
33	AGB Research	10.00	0.00	10.00	10.00
34	Alphacore Metal	10.00	0.00	10.00	10.00
35	Bibby Ltd	10.00	0.00	10.00	10.00
36	Davy	10.00	0.00	10.00	10.00
37	Clayton	10.00	0.00	10.00	10.00
38	David & Newman	10.00	0.00	10.00	10.00
39	Bailey (CH)	10.00	0.00	10.00	10.00
40	Reynolds	10.00	0.00	10.00	10.00

OVER FIFTEEN YEARS

No.	Company	Price	Chg %	Yld %	P/E
1	British Airways	10.00	0.00	10.00	10.00
2	Low Midland	10.00	0.00	10.00	10.00
3	Parsons	10.00	0.00	10.00	10.00
4	Low & Bonar	10.00	0.00	10.00	10.00
5	Metals	10.00	0.00	10.00	10.00
6	Peck-Hartley	10.00	0.00	10.00	10.00
7	Reynolds	10.00	0.00	10.00	10.00
8	Manchester Ship	10.00	0.00	10.00	10.00
9	Reynolds	10.00	0.00	10.00	10.00
10	Jaguar	10.00	0.00	10.00	10.00
11	Supra	10.00	0.00	10.00	10.00
12	Lucas	10.00	0.00	10.00	10.00
13	Ford Motor	10.00	0.00	10.00	10.00
14	Drax	10.00	0.00	10.00	10.00
15	Honda Motor	10.00	0.00	10.00	10.00
16	Levi	10.00	0.00	10.00	10.00
17	Auto Products	10.00	0.00	10.00	10.00
18	General Motor	10.00	0.00	10.00	10.00
19	Br Aerospace	10.00	0.00	10.00	10.00
20	FOODS	10.00	0.00	10.00	10.00
21	Park Foods	10.00	0.00	10.00	10.00
22	Matheson (Bertrand)	10.00	0.00	10.00	10.00
23	Hillards	10.00	0.00	10.00	10.00
24	Sainsbury	10.00	0.00	10.00	10.00
25	AB Food	10.00	0.00	10.00	10.00
26	Maxwell Food	10.00	0.00	10.00	10.00
27	ASDA-MFI	10.00	0.00	10.00	10.00
28	Rowntree Mac	10.00	0.00	10.00	10.00
29	Cullens	10.00	0.00	10.00	10.00
30	Kwik Save	10.00	0.00	10.00	10.00
31	INDUSTRIALS A-D	10.00	0.00	10.00	10.00
32	Rafco	10.00	0.00	10.00	10.00
33	AGB Research	10.00	0.00	10.00	10.00
34	Alphacore Metal	10.00	0.00	10.00	10.00
35	Bibby Ltd	10.00	0.00	10.00	10.00
36	Davy	10.00	0.00	10.00	10.00
37	Clayton	10.00	0.00	10.00	10.00
38	David & Newman	10.00	0.00	10.00	10.00
39	Bailey (CH)	10.00	0.00	10.00	10.00
40	Reynolds	10.00	0.00	10.00	10.00

UNDATED

No.	Company	Price	Chg %	Yld %	P/E
1	British Airways	10.00	0.00	10.00	10.00
2	Low Midland	10.00	0.00	10.00	10.00
3	Parsons	10.00	0.00	10.00	10.00
4	Low & Bonar	10.00	0.00	10.00	10.00
5	Metals	10.00	0.00	10.00	10.00
6	Peck-Hartley	10.00	0.00	10.00	10.00
7	Reynolds	10.00	0.00	10.00	10.00
8	Manchester Ship	10.00	0.00	10.00	10.00
9	Reynolds	10.00	0.00	10.00	10.00
10	Jaguar	10.00	0.00	10.00	10.00
11	Supra	10.00	0.00	10.00	10.00
12	Lucas	10.00	0.00	10.00	10.00
13	Ford Motor	10.00	0.00	10.00	10.00
14	Drax	10.00	0.00	10.00	10.00
15	Honda Motor	10.00	0.00	10.00	10.00
16	Levi	10.00	0.00	10.00	10.00
17	Auto Products	10.00	0.00	10.00	10.00
18	General Motor	10.00	0.00	10.00	10.00
19	Br Aerospace	10.00	0.00	10.00	10.00
20	FOODS	10.00	0.00	10.00	10.00
21	Park Foods	10.00	0.00	10.00	10.00
22	Matheson (Bertrand)	10.00	0.00	10.00	10.00
23	Hillards	10.00	0.00	10.00	10.00
24	Sainsbury	10.00	0.00	10.00	10.00
25	AB Food	10.00	0.00	10.00	10.00
26	Maxwell Food	10.00	0.00	10.00	10.00
27	ASDA-MFI	10.00	0.00	10.00	10.00
28	Rowntree Mac	10.00	0.00	10.00	10.00
29	Cullens	10.00	0.00	10.00	10.00
30	Kwik Save	10.00	0.00	10.00	10.00
31	INDUSTRIALS A-D	10.00	0.00	10.00	10.00
32	Rafco	10.00	0.00	10.00	10.00
33	AGB Research	10.00	0.00	10.00	10.00
34	Alphacore Metal	10.00	0.00	10.00	10.00
35	Bibby Ltd	10.00	0.00	10.00	10.00
36	Davy	10.00	0.00	10.00	10.00
37	Clayton	10.00	0.00	10.00	10.00
38	David & Newman	10.00	0.00	10.00	10.00
39	Bailey (CH)	10.00	0.00	10.00	10.00
40	Reynolds	10.00	0.00	10.00	10.00

INDEX-LINKED

1965																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					</
------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	----

There is no suggestion that Morgan Grenfell broke the rules. It consulted the panel executive about the interpretation of

Both figures and forecasts are hugely distorted by the effect of the Chancellor's tax treatment of capital expenditure. The gradual reduction in capital allowances from one financial year to the next does lead to a bunching of investment projects in the final quarter of the financial year. At 1980 prices, total capital spending was £2,164 million in the first quarter of 1985, dropping to £4,334 million in the second quarter before rebounding to £4,469 million in the third quarter.

By Richard Evans

He said the Government's policy of apparently making ad hoc decisions might just be workable if the odd major bid came along occasionally, but was scarcely adequate when huge bids were being announced daily.

MARKET SUMMARY

GOLD	
London fixing:	
am \$316.06pm — \$317.50	
close \$317.25 — \$317.75 (\$220.50—\$221.00)	
New York:	
Comex \$317.75	

FALLS:	
IOC Oil Services	5.50p
Real Time Cntl	63p
Comstock Hlds	43p
Common Brothers	7.50p — 0.5
Pearl Mining	47p
Valentia Invrs	35p

By Michael Prest

$$\begin{array}{l|l} p-3p & 3p \\ 5p-1p & 17/32 \end{array}$$


Mr Perryman said that BT might have to consider "de-averaging" rental and local call charges, now the same throughout Britain, if significant competition on local networks developed.

By Richard Thomson, Banking Correspondent

for between 400 and 500 shares will get 220. Those applying for 600 will get 240 and for 650 to

600 will get 240 and for 650 to million shares.

By Derek Harris

monograph 34; HMSO £4.40

James Neill has won control at Spear & Jackson, the garden tool maker. Last night the £15 million offer went unconditional. The cash offer will remain open until tomorrow.

John Bartholomew, part of News International, is buying the map and atlas publishers Geographia, and its guide publishing subsidiary Robert Nicholson. Bartholomew recently began selling and distributing Times Books and Angus and Robertson

A medium-term employment strategy should now be developed, says the Charter for Jobs in its monthly economic report. This praises the Chancellor for establishing some "important innovations" in his medium-term financial strategy, and asks for the principle to be extended to other supporting measures.

Pilkington Brothers, the glass group, has reported a fall in profits to £39.4 million from £52.2 million for the half year to September 28. Sales fell £594.1 million from £611.1 million. The 5p interim dividend is unchanged.

Tempus, page 21

HOW SMALLER BUSINESSES CAN MAKE BIGGER DECISIONS.

At KMG Thomson McLintock – one of Britain's largest firms of accountants – we're not too large to understand the problems facing the smaller businessman.

As often as not, when a company starts to grow its problems grow with it. More and more hangs on every decision, yet there's less and less time to decide.

If this sounds all too familiar, our Business Services teams can help. They're experienced in every aspect of running a business, from tax and VAT problems to business plans, raising finance and even franchising.

All this and more is described in greater detail in our free Business Services file.

Send for your copy today. It could be the best business decision you've made.

To: Peter Hogarth, KMG Thomson McLintock, 70 Linsbury Pavement,
London EC2A 1SX. Tel: 01-920 9111.

Please tell me more about Business Services.

Name _____ Position _____

Company _____

Address _____

_____ F13/T1

KMG Thomson McLintock
CHARTERED ACCOUNTANTS & MANAGEMENT CONSULTANTS

MARKET SUMMARY

STOCK MARKETS

[illegible]

STOCK MARKET REPORT

Pilkington joins bid favourites with 23p rise in share price

By Derek Pain and Pam Spooner

Takeover tales continue to keep the market moving, and yesterday brought the addition of the name of Pilkington Brothers to the list of bid favourites.

As the glass-making group got its interim results out of the way, the Pilkington share price jumped 23p to 316p. Talk of a stake-building in the shares has been circulating for weeks, but the market now sounds more certain that bid action is imminent.

A cheerful meeting for analysts after the figures helped confirm the mood of expectation. Pilkington has done most of its restructuring, with a chunk of redundancy costs taken in the first half figures. Trading prospects are good - British price rises on the group's products are holding, and there is a chance of further improvement in margins.

At the same time, business in Adam Leisure Group, once riding at 105p and now a mere 8p, disclosed a £277,000 loss yesterday against a £443,000. But prospects could be brighter than they appear. A break-even position, perhaps even a profit, could be achieved in the current year.

Europe appears to be going well and news that the French glass-maker St Gobain is preparing for a public share flotation is a help. St Gobain will have to tighten up its operation ahead of denationalization and this is likely to add to upward pressure on glass prices.

Pilkington also still has plenty of cash to hand, having spent little of this year's £100 million rights issue. Total assets per share work out at comfortably over 500p a share, leaving

even the current Pilkington price looking cheap.

Although cynics might wonder who would bid for Pilkington, given the fact and fame nature of its business, the City is not short of names when it comes to potential buyers. In the past Hanson Trust and BTR have been mentioned as predators, but both appear to have their hands full currently.

The latest, and probably most popular name being bandied

Greenstar Hotels, running the King's Arms at Berwick-on-Tweed, has merged with Mogford, which takes in hotels in Windsor and Slough. The combined group expects profits of around £400,000 this year. Immediate expansion is likely to be through extending the three existing properties rather than buying hotels. The shares, currently trading under Rule 535, are around 35p. A USM presence is expected by next summer.

around is Rio Tinto-Zinc, the international metals and industrial group. RTZ is known to have been looking for more to buy in the building and industrial materials sector, and to be on a general acquisition trail.

While old rumours of an RTZ bid for Consolidated Gold Fields have circulated lately, analysts suspect that Pilkington is the real target of attention. Certainly, there are signs that Pilkington feels vulnerable.

In the past two months the St Helens company has made several acquisitions, one or two of which market men are unhappy about. Suggestions are that the sudden burst of activity is defensive in nature.

Whatever the outcome of these City expectations, the direction for the Pilkington share price appears to be one-way. Recovery prospects for profits are healthy, and the shares have a long way to rise to get closer to that net asset value.

Market attention is also focusing on Glaxo Holdings this week. After the presentation a few days ago to the Society of Investment Analysts, the Glaxo share price has, surprisingly, begun to slide.

The SIA seminar was reckoned to have gone well, so the City is looking elsewhere for the cause of the downward drift. The latest speculation is that Glaxo is about to make a takeover bid in the US.

English China Clays lifted yesterday, the pound strengthening even further, showing a near 3 cents gain against the dollar on the day. As a result, prices of government stocks rose. Total gains for the day for gilts ranged from 2 1/2 to 3 1/2.

Oil prices tended higher as the worries of the Opec price cutting moves eased. British

Im Leisure, the chain of 40 pubs, is still looking to enter the beerage and could announce a deal shortly. Meanwhile, profits are up 68 per cent to £1,605,000 in the year to the end of September. The shares fell 5p to 99p.

Petroleum was 5p higher at 538p. Home Churn eased 10p on chairman worries and Metal Closures, a recent takeover favourite, slipped 6p to 146p on profit taking.

The day's new issue, SAC, made a firm start - touching 115p against an offer price of 100p.

Traded option highlights

Cable & Wireless traded options will be dealt in from today, on the usual 1,000 shares per contract basis. C & W will be available in January, April and July series, at options of 550, 600 and 650. Today also brings expiry in the December currency options.

Yesterday, some 14,819 con-

tracts were traded, with a handful of options dominating the action. The Stock Exchange index option saw 2,490 contracts traded, and BT 2,290. BP notched up 1,085 contracts, and Bechtel 1,130. Some 969 contracts in Jaguar changed hands. There were few significant price changes on options.

Hill Samuel International Bond Fund Limited

(A company incorporated with limited liability in Jersey under the provisions of the Companies (Jersey) Law 1984 (No. 1984))

Issued and Fully Paid at 9th December 1985 U.S.\$

SHARE CAPITAL

100 Non-participating Founders Shares of \$1 100

50,000 Participating Redeemable Preference Shares of 1 cent issued either as Dollar Managed Shares or Sterling Managed Shares 8,991

50,100 12,287

Application has been made to The Council of The Stock Exchange for the Participating Redeemable Preference Shares to be admitted to the Official List.

The Company is an open-ended investment company which may issue and redeem the Participating Redeemable Preference Shares at prices based on their underlying net asset value and it therefore operates like a unit trust or mutual fund.

Details of the Company and of the above securities are contained in an Enrol Statistical Services card, copies of which may also be obtained during normal business hours on any normal working day up to and including 31st December 1985 from:

Company Announcements Office, The Stock Exchange, Throgmorton Street, London EC2T 2HT (until 17th December 1985 only)

Wood Mackenzie & Co. Limited, 62/63 Threadneedle Street, London EC2R 5HP

Hill Samuel Fund Managers (Jersey) Limited, 7 Bond Street, St. Helier, Jersey, Channel Islands. 13th December 1985

This advertisement is issued in compliance with the requirements of The Council of The Stock Exchange. It does not constitute an offer, or invitation to the public to subscribe for or purchase any securities.

A record ahead for puddings

Shoppers are buying more Christmas puddings and cakes than ever, according to one of the country's leading suppliers, Northern Foods.

Mr Nicholas Horsley, the chairman, said yesterday that demand from high street stores would be a record. All the evidence was that customers had more money to spend.

He was commenting after Northern Foods reported a 26 per cent increase in half-year profits to £34 million. Sales were 21 per cent up at £742 million. The dividend is 4.25p.

China Clays up

English China Clays lifted yesterday from £64.2 million to £74.6 million before tax in the year to September 30. The results included a £5.5 million contribution from Bradley, the latest acquisition. Group turnover was up from £604 million to £714 million.

GUS payout

Great Universal Stores, the mail order company, lifted profits from £103 million to £115 million before tax in the six months to September 30. Turnover was up from £977 million to £1,093 million and the interim dividend is up from 6.25p to 7p.

J Brown better

John Brown, the engineering company, cut its loss from £4.5 million to £3.3 million before tax in the six months to September 30. It promises a further improvement in the second half after its capital restructuring.

In brief

● **BAKER PERKINS:** For the half-year to September 30, with figures in 2000, turnover was £138,324 (106,893), while the pre-tax profit was £7,343 (4,891). Earnings per share were 15.4p (10.5p adjusted). An interim dividend of 3.0p (2.6p) is being paid on February 10.

● **BRENGREEN (HOLDINGS):** Results for 28 weeks to October 12, with figures in £000. Profit before interest was £563 (1,250). Earnings per share were 1.14p (1.36p). An interim dividend of 0.75p (0.7p) is being paid.

● **CRYSTALITE (HOLDINGS):** For the year to September 30 with figures in £000, turnover was £2,996 (2,998), while pre-tax profit was £4,803 (5,657). Earnings per share were (basic) 16.53p (18.22p) and fully diluted 13.91p (14.76p). A final dividend of 2.7p making 4.24p (3.85p) is being paid.

TEMPUS

BT disturbs the City with low-key figures

It's not for you-hoo... is the message British Telecom board chose to blare out via its interim profit news to the City. Interim pre-tax profits of £885 million, which incorporate a second quarter decline, were not exactly what the City was hoping for.

The British Telecom board was content yesterday to present its figures with the drooping deference more commonly found in the public sector.

The shares bobbed around the 194p level, finally closing 1p down on the day. Investors who signed up a year ago with the newly-privatized concern have enjoyed something of a toboggan ride.

The group has entangled itself with the Monopolies Commission over its Mtel bid; wrangled with Ofel (the Office for Telecommunications) over its pricing structure; devastated the stock market ratings of the telecommunications sector; inspired the present bid by GEC for Plessey and found itself facing unexpectedly a new competitor in the shape of Mercury.

The long-term earnings perspective for the group is clearly very rosy. Revenues are highly price inelastic, and capable of incremental boosts from new technology, as well as new subscribers.

To the extent that BT succeeds in phasing in its new System X technology, and attracting new subscribers, it will enjoy far greater telephone usage, and thus better volumes.

As the System X programme draws to a close, then BT will emerge from the twin pressures it faces on costs and revenue. But in the short term the group has to continue its struggle to break out of its historic public sector identity. Introduction of System X is way behind schedule. And to date BT has only installed about half the lines it planned for the end of this year. The phased rundown in the workforce has encountered similar delay.

BT is convinced that Mercury will ultimately make little impact on its customer profile, but the market, which is more concerned with BT's ability to evolve in time to meet the Mercury challenge, is less convinced. Rental flows for example seem bound to flatten as more consumers opt to buy their handsets - and not always effectively on December 1.

Free from this encumbrance BET and Thorn will not be slow to exploit the interest shown and move to a wider share ownership as soon as possible.

BET

BET was once regarded as something of a slumbering giant, but the group's frenetic takeover activity in the past 12 months is clear evidence that it has now become a nimble and more active player. Perhaps more important, that activity has greater cohesion as BET pursues now clearly defined objectives in target markets.

Yesterday's interim figures will have done nothing to damage the group's cause as it pursues Sparrow and SGB, the latest items on its acquisition agenda. Pre-tax profits rose to £48.7 million from £36.9 million. However, much to the City's surprise, there was an appreciable increase in earnings a share, from 10.9p to 12.6p. After the surfeit of BET paper issued to finance the takeover programme, the company had been talking down the earnings growth prospects. To achieve this improvement is something of a bonus, and clear incentive for the reluctant SGB shareholders to reconsider their position.

BET's improvement owes much to the inclusion of all of initial and the purchase of Anglian, although this was supplemented by an element of organic growth. The group has still to see the full benefits of integrating Initial with Advance. This will become more apparent next year.

There were some disappointments within the figures. The transport division took the full brunt of the £3 million deficit on currencies, largely a consequence of the weakness of the pound. But the publishing division was the real blimp.

It had been doing remarkably well as it expanded rapidly, particularly in America. There was some compensation as the electronics and leisure division recovered well from its poor showing a year ago. The interest here will be in the flotation of Tames Television, jointly owned with Thorn EMI, which could take place in early 1986. The bid from Carlton Communications for Thames lapsed effectively on December 1.

Pilkington Brothers seems determined not to disappoint the market any more. It prepared dealers for bad results so thoroughly that when the figures turned out not to be as bad as expected the shares jumped 23p to 316p.

Pilkington Brothers

Pilkington Brothers seems determined not to disappoint the market any more. It prepared dealers for bad results so thoroughly that when the figures turned out not to be as bad as expected the shares jumped 23p to 316p.

Reported profits were down from £69.9 million to £56.9 million but that fall does little justice to the underlying position. To appreciate this four adjustments are necessary. The reported figures were depressed by higher redundancy costs, exchange rate movements and, as usual, extra depreciation, and by a minor offset in the form of interest received on the proceeds of the January rights issue. Allowing for all these, profits rose marginally.

The company has taken a number of positive steps recently. It has at last agreed to drop the practice of charging additional depreciation against profits. On an annual basis this will add more than £30 million to the reported result.

In the last three months it has also made four acquisitions for a total of £72 million.

The third and perhaps most important move by Pilkington is its decision to increase prices, in real terms, of both flat glass and fibreglass for the first time in four years.

If prices continue to rise and can be introduced on the Continent as well Pilkington would be well set.

Currency movements, however, can upset even the best card plans. The strength of the pound has a huge effect on profits as Pilkington's competitors are based in Europe. With this in mind, next year could see profits rise from say £140 million to £170 million before additional depreciation after this year's hiccup. That would give a prospective p/e ratio of just 7. The shares are cheap, but that has been said before.

LHW Futures Limited

are pleased to announce the appointment of

BRIAN DURRANT
(formerly of L. Messel & Co.)

as Chief Economist in its expanding Research Department



3/4/5 WARDROBE PLACE, LONDON EC4V 5AR.
TELEPHONE: 01-248 8121.

ENGLISH CHINA CLAYS P.L.C.

RESULTS FOR YEAR ENDED 30th SEPTEMBER 1985

- * HIGHER OPERATING PROFITS IN ALL DIVISIONS
- * RECORD GROUP PROFITS AND EARNINGS PER SHARE HIGHER, IN REAL TERMS, FOR SECOND SUCCESSIVE YEAR
- * BRADLEY ACQUISITION SUCCESSFULLY INTEGRATED AND PERFORMING WELL
- * BALANCE SHEET REFLECTS STRENGTH TO FINANCE FURTHER EXPANSION AND IMPROVE COMPETITIVENESS

	1985	1984
£'000	£'000	£'000
TURNOVER (INCLUDING U.K. EXPORTS OF £175M. (1984 £165M.))	713,893	604,162
PROFIT BEFORE TAXATION	74,648	64,235
PROFIT AFTER TAXATION	46,696	36,954
DIVIDEND PER SHARE - INTERIM	4.00p	3.60p
DIVIDEND PER SHARE - RECOMMENDED FINAL	7.00p	6.00p
EARNINGS PER SHARE	25.97p	22.13p
DIVIDEND COVER (TIMES)	2.2	2.4



ANNUAL GENERAL MEETING

The 67th Annual General Meeting of the Company will be held in the Ballroom at The Hyde Park Hotel, Knightsbridge, London SW1 on Thursday, 13th February 1986 at 12.30 p.m. Copies of the Annual Report and Accounts including the Chairman's Statement may be obtained after 17th January 1986 upon application to the Company's Registrars, National Westminster Bank PLC, Registrar's Department, PO Box No 82, 37, Broad Street, Bristol, BS99 7WH or from the Company Secretary, John Keay House, St. Austell, Cornwall, PL25 4DJ.

FLYING HIGH!

-THAT'S GUINNESS MAHON'S INVESTMENT MANAGEMENT

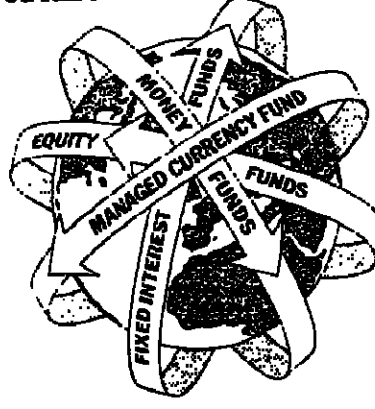


The European, Sterling Fixed Interest and U.K. Equity Funds are part of our Global Strategy Umbrella Fund. They currently all stand first against their direct competition in the respective Offshore Fund Sectors.

Furthermore, taken as a whole, 7 out of the 11 equity, fixed interest and managed currency-funds of the Global Strategy Fund are currently in the top quartile in performance terms of their relevant sector.
(source: OPALIDC)

The experience and expert investment management of Guinness Mahon, the merchant banking arm of the Guinness Peat Group, has been serving the

private investor for more than one hundred years. Recently it has been made more widely available through our offshore funds which now exceed \$135 million - up from \$6 million 3 years ago. Fill in the coupon, send it to us without obligation and we will send you full details.



Guinness Mahon Fund Managers (Guernsey) Limited,
P.O. Box 188, La Vieille Cour,
St. Peter Port, Guernsey, Channel Islands.
Or telephone (0481) 25506 extension 231
or telex 4191482 GUIMAC G

Tick for details required

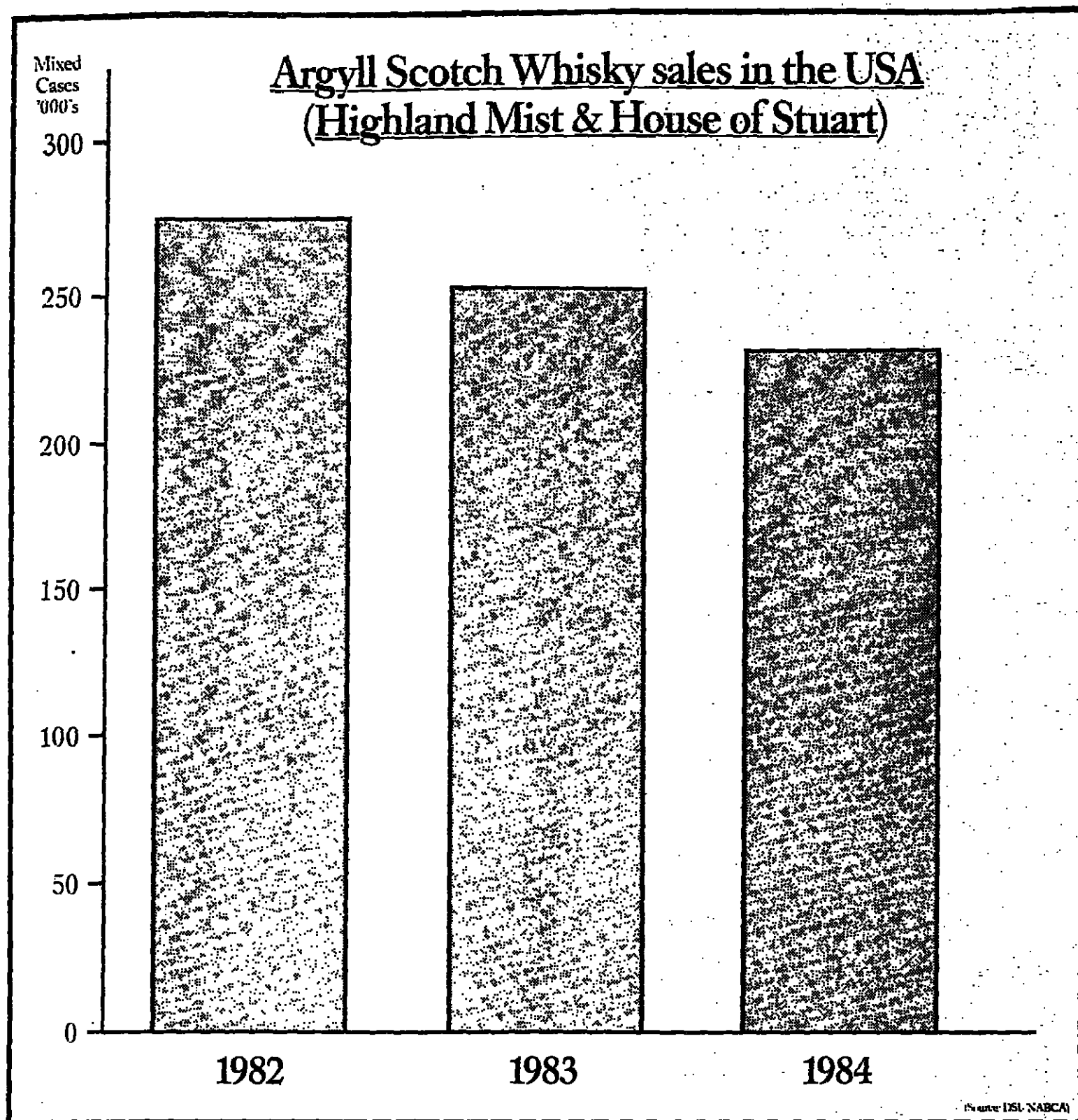
☐ European Fund ☐ Sterling Fixed Interest
☐ UK Fund

Name _____
Address _____



Guinness Mahon
This advertisement has been placed by Guinness Mahon & Co. Limited, an exempt dealer.

CS97/11215



Come, come Argyll. It's your spirits that need reviving.

Argyll claim they can improve the performance of our international Scotch Whisky brands.

Before you consider their offer too seriously, consider the track record of their Scotch Whisky brands internationally.

The United States, the World's largest market for Scotch, is the only one where Argyll operates seriously.

Argyll offers the Americans two

main brands. House of Stuart and Highland Mist. Two low priced, locally bottled products.

As you see above, their sales performance has been distinctly dispiriting.

Argyll would have you believe they have magical marketing skills that can conquer all.

They don't seem to be much in evidence across the water.

The Distillers Company plc.

Japan's long and bumpy road to an open financial system

The admission of foreign firms to the Tokyo Stock Exchange for the first time has focused attention on much wider-ranging reforms to the Japanese financial system to bring it fully into the international arena. To Americans, in particular, the process of reform is still too slow. To many people in Japan, the changes are alarmingly and bewilderingly fast. DAVID WATTS reports from Tokyo.

Japan has started the most fundamental series of reforms to its banking and financial system since Emperor Meiji opened Japan to Western concepts in 1868. The Japanese did not even have a word for bank. Their word is an import from China, meaning "Silver House".

The first banks, British and French, were started to finance the silk trade. The formation of the first Japanese banks initiated the closely-controlled financial system which is only now beginning to be changed fundamentally under internal pressures for greater flexibility to meet modern requirements and foreign pressures for the non-Communist world's second most powerful economy to make itself as open to foreign participation as most Western countries.

The changes so far are modest. Tokyo is considered to be at least 15 years behind the markets of London and New York but even at this stage Tokyo is a city of nervous bankers fearful for the future in a country which dislikes the unknown and the unpredictable.

Banking has been the most protected business in a country of coddled industries. No one knows quite how far and how fast change will come and who will get hurt along the way.

A high-ranking official from The Industrial Bank of Japan, in a heartfelt reference to the first big foreign intrusion into Japan's insular ways, said: "It's a new black ship - a new opening of Japan. I think it's

that significant. Once the targets are set, reform will have a momentum of its own."

But for foreigners looking in, the perspective is markedly different. One foreign economic analyst said: "As a major participant in the world economy, they're not doing enough and they're not doing it fast enough. But as an exercise, historically, it's impressive."

When the Meiji rulers set up the financial system, they created a means of fine-tuning and directing the country's financial energies into specific areas vital to a nation newly emerging on to the world stage.

Interest rates were fixed by the Ministry of Finance for the banks and by the Ministry of Post and Telecommunications for the post office savings system.

The government took those public savings and fed them into strategic industries and vital exporting industries. The investor was protected by this governmental patronage: banks did not and do not fail in Japan. But the result was that for a long time no financial market and no securities market developed in the absence of need. The Tokyo Stock Exchange is now the world's second busiest.

But these two vital areas are only now embarking on the path to liberalization.

Even now sectors of officialdom are reluctant to press ahead fully with liberalization and give up traditional influence and control.

The upper echelons of the finance ministry are bent on bringing Japan into line with



Tokyo Stock Exchange: 15 years behind London.

the rest of the advanced developed world. Other powerful vested interests are likely to continue to resist.

Foreign participation in Tokyo financial markets graphically illustrates the problem: there are now 29 separate Japanese banking operations in London and 10 representative offices.

Japanese banks have a 22 per cent slice of sterling and other lending business done in London and 10 per cent of the acceptance business.

By contrast, five British banks have branches in Japan with about 0.25 per cent of the lending.

Fifty-two Japanese firms are authorized to deal in securities in London (all outside the Stock Exchange) and 22 Japanese insurance firms operate in the City. Even now, only a handful of British institutions have securities licences in Tokyo.

By far the most dramatic breakthrough in opening financial markets to foreigners came only two weeks ago when six of the 10 seats created on the Tokyo Stock Exchange were awarded to overseas firms including S. C. Warburg of Britain and Jardine Fleming of Hong Kong.

The extra seats, the first since the modern exchange began in 1949, were created specifically to encourage a noticeable foreign presence after complaints that the odd seat that had previously become vacant always went to one of the queuing Japanese firms.

This move allayed foreign pressure, but not for long. Indeed, expectation and suspicion have now built so high and gained such momentum that reality will find it hard to catch up.

During the latest follow-up talks on the yen-dollar agreement in Tokyo, for instance, Mr David Mulford, assistant secretary for international affairs at the US Treasury, was unremi-

New budget law prompts record US trading

From Bailey Morris Washington

The effects of the historic deficit reduction legislation signed by President Reagan yesterday have already been anticipated by exuberant financial markets. Trading was at record levels in expectation of a fall in US interest rates.

Mr Reagan's reluctant endorsement of the mandatory spending cuts contained in the Gramm-Rudman-Hollings budget legislation represents a dramatic reversal of the US policy mix toward tighter budgets and easier money.

The combination of the two should lead to sharply lower interest rates which should spur business activity and extend the trend of higher share prices.

But even as the legislation was being signed by the President, some analysts were saying that the sharp spending cuts indicated by the legislation or alternative tax increases would reduce economic activity dramatically next year.

The sudden contraction of government spending ordered under the legislation, a modest \$11.1 billion in March and a huge \$50-60 billion by October, will require a large offsetting drop in interest rates to keep the US economy growing, many analysts believe.

"A move to reduce budget deficits, particularly defence spending which has been driving the economy, will require much lower interest rates", Mr Robert Barbra, chief economist of E. F. Hutton and company, said.

But other economists said that even if the Federal Reserve eases monetary policy further, the short-term policy of the large budget cuts will be to depress the economy sharply.

Mr Roger Brimmer, chief economist of Data Resources Incorporated, said that under the standard formula, the impact of spending cuts comes about four quarters after reductions are taken. But the effects of lower interest rates take longer.

In addition, under the Data Resources economic model, the US economy is expected to grow by only a weak 1 per cent or less in the first half of 1986, indicating that Federal reserves will be about \$27 billion less than the Reagan Administration estimated.

This will mean even steeper spending cuts or big tax increases which the President has said he will veto.

Miboc draws up code on commission earnings

By Lawrence Lever

New rules governing the disclosure of commissions earned by life insurance and unit trust salesmen are contained in a consultative document issued yesterday by the Marketing of Investment Board Organizing Committee (Miboc).

The rules propose different solutions to the issue of commission disclosure, according to whether the salesman is an independent intermediary or a representative of a particular company.

Mr Mark Weinberg, chairman of Miboc, said yesterday that the proposals represented a clear consensus of Miboc members.

For independent intermediaries Miboc suggests that there should be a voluntary commission agreement under which intermediaries would be required to disclose only limited details of the commission they are earning.

Limited disclosure would stipulate merely that the office issuing the policy was a member of the agreement and that the



Mark Weinberg: clear consensus of members.

make full disclosure of the actual commission they were earning, and the amount payable if the voluntary agreement had applied.

"Company representatives" - defined in the Miboc document as agents acting on behalf of only the company - would not be required to disclose any details of the commission they were earning from the sale of a particular product.

Instead, company representatives would be obliged to make it clear to the investor that they were acting as agents for one company and were not therefore able to offer impartial advice.

Only genuine company representatives would be exempt from the requirement for authorization envisaged by the forthcoming financial services legislation.

The Miboc proposals follow broadly the recommendation in the Government's White Paper, *Financial Services in the United Kingdom*.

Exporters face up to Opec threat

By David Young, Energy Correspondent

The threat of the 13 members of the Organization of Petroleum Exporting Countries using their traditional imports from Britain as a weapon in the dispute between the two over oil production levels is being analyzed by British exporters.

Iran has suggested that unless non-Opec producers such as Britain and Norway cut back on production to help Opec support world prices Opec should halt purchases from them.

Opec members are among Britain's largest trade partners. The Saudi contract to buy \$4 billion worth of military aircraft and equipment from British Aerospace is the largest

Director off board of J Rothschild

By Richard Thomson Banking Correspondent

Mr Merrill Halpern, the US expert in leveraged buy-outs, has resigned as a director of J. Rothschild Holdings after joining the board in December 1983.

J. Rothschild said yesterday that since the sale of 75 per cent of Charterhouse Group International (CHUSA), previously a wholly-owned company, last month, it was no longer appropriate for Mr Halpern to remain on the main J. Rothschild board.

CHUSA was the only part of the Charterhouse group not sold to the Royal Bank of Scotland early this year.

It contains the highly successful leveraged buy-out operation built up by Mr Halpern.

Mr Halpern raised eyebrows in July when the J. Rothschild report and accounts showed that he had loans of \$1.54 million from the group.

The loans were part of his employment contract which required him to make investments in companies in which CHUSA's capital development offshoot was also investing. The loans were effectively interest free.

Managers' pay rises 25%

Management salaries have risen by a quarter or more in the past year in the South-East and computer staff are no longer in the lead, according to the latest annual survey of salaries in the region by Management Personnel, the recruitment consultants.

After two years of stagnation, salaries of chartered secretaries were up by a quarter. General managers' salaries at the median level went up by a

tenth although the highest paid managing director earned £75,000 which was 50 per cent up on the previous year. Sales and marketing directors had increases of an average 17 per cent with marketing managers up 13 per cent. Works and production directors had pay rises of 10 per cent, with chief engineers and technical managers up 24 per cent at the median level.

RHP Group plc

Preliminary Results 1985

- * Record profits-up 78% * Record cash inflow
- * Increased EPS-up 54% * Increased Dividend

	1985 £000	1984 £000
Sales	128,292	105,705
Profit before interest	12,602	7,612
Interest	(1,530)	(1,379)
Profit before tax	11,072	6,233

RHP is a British group of companies manufacturing precision electrical and mechanical engineering products for a wide range of industries, including aerospace, automotive, communications, construction, defence, electronics, engineering, energy, process control and telecommunications.

RHP operates in the UK through subsidiaries and divisions, with subsidiaries in Australia, Canada, France, Germany, Sweden, South Africa and the USA and agents elsewhere in the world.

Copies of the Report and Accounts may be obtained from:
RHP Group plc, PO Box 20, Pilgrim House, High Street, Billericay, Essex CM12 9XY.



The Royal Bank of Scotland Group plc

This has been a momentous year for the Group. Our two principal banking subsidiaries have been successfully merged. We now have a streamlined bank, headquartered in Edinburgh, and we have once again achieved record profits. In addition, two major developments have greatly enhanced the spread of financial services we are able to offer the public. First, the acquisition of The Charterhouse Group plc adds a new dimension to our expertise in serving corporate customers at home and abroad. Secondly, we have successfully launched the first venture by a leading bank into the underwriting and direct selling of motor insurance. This last novel and highly automated operation is still in its early stages, but initial indications, and customer reaction, are encouraging and augur well for the future.

GROUP OPERATIONS. The profit before taxation for the year ended 30th September 1985 was £166.3 million, an increase of £35.0 million or 27 per cent. Over the previous year. Although the clearing bank arm of the Group has been the principal contributor to our profits, it is pleasing to report a creditable profit performance from The Charterhouse Group since acquisition. Costs this year

"IN 1985 WE HAVE MERGED OUR BANKS, ACQUIRED A MERCHANT BANK, LAUNCHED AN INSURANCE COMPANY, AND STILL PRODUCED RECORD PROFITS"

Sir Michael Herries, Chairman

Key figures	Year ended 30 Sept. 1985	Year ended 30 Sept. 1984	Change
Profit before taxation	£166.3m	£131.3m	+27%
Total assets	£15,031m	£13,386m	+12%
Dividends per 25p ordinary share	9.6p	8.1p*	+19%

*Adjusted for the effects of the rights issue in February 1985.

included more than £11 million in respect of non-recurring items associated with the merger.

Our domestic banking policy will continue to be the maintenance of our strong base of banking activities throughout the British Isles from Lerwick in the Shetlands to St Helier in the Channel Islands and to increase our share of this market. Despite fierce competition we have achieved very satisfactory increases both in numbers of customers and in the use of our services. Internationally, the stronger organisation created by integration of resources will enable us to take up any opportunities that arise for growth by acquisition.

LOOKING AHEAD Looking ahead, the only prudent course is to assume that the volatility we have experienced in recent years will continue, in both international and domestic markets. It would be prudent also to assume that there will be no lessening in competition. Everything indicates that this will continue and, indeed, intensify.

These developments make it necessary for us to ensure that our efficiency and our service to customers are maintained at a high level. They also make it necessary to review carefully our longer-term strategies. This we have been doing, and the new ventures we have entered into in the past year are all part of this.

The unification of our clearing bank business, together with the recent acquisitions, will enable us to respond with speed and flexibility to the changes that are coming.

Copies of the 1985 Annual Report and Accounts may be obtained from the Secretary,
The Royal Bank of Scotland Group plc, 36 St. Andrew Square, Edinburgh EH2 2YB.

...the

BOXING

Andries protests over count and requests a rematch

By Srikumar Sen
Boxing Correspondent

Greg Steene, the manager of Dennis Andries, is to complain to the European Boxing Union about the refereeing in the European light-heavyweight title bout between Andries and Alex Blanchard, of The Netherlands, the champion, that ended in a draw at the London West Hotel, Fulham, on Wednesday.

According to Steene, when Andries floored Blanchard in the fifth round television viewers were shown the referee, Raymond Bachalet, of France, counting up to eight and, instead of finishing the count, telling Blanchard to "get up". Steene hopes to force the EBU to order a mandatory defence on the grounds that, had Mr Bachalet counted on, Andries would have won.

"I'm going to complain to the EBU through the board," he said. "It was a disgrace. We noticed what happened and I'm glad that Harry Carpenter also pointed it out on television. Terry Lawless (who was doing the inter-round summaries) also said that if any of his fighters had been involved the referee would not have got away with it."

Steene will also mention the fact that the referee made an untimely interference in the eighth round when he stepped between the boxers, just as Andries was beginning to hurt Blanchard, to give the Dutchman a standing count.

Steene, together with many others, believes that the end of the bout Andries' hand should have been raised. "Dennis clearly won it and by getting the EBU to order a rematch Dennis can put the record straight."

The manager is also to protest about the scoring of the Danish judge, Knud Jensen, who gave Andries two rounds and Blanchard six when the Italian judge, Elmo della Michiana, made it four to Andries and two to Blanchard and the referee four each.

According to Simon Block, the southern area representative at the ringside, the referee did not say "Get up." He does not speak English, Block said, maintaining that Mr Bachalet did exactly the same for Andries when he was on the floor in the fifth round. He counted to eight, then

Andries: did well to draw

motioned with his hands for him to get up. The Danish judge's margin seems excessive but there is so much to be evaluated when scoring that it would be difficult for anyone to fault Mr Jensen. Though if he had made Blanchard the winner by a round some, like myself, would not have quarrelled.

Blanchard's boxing was a delight from start to finish. He was under fierce pressure from the fourth to the eighth, what with being sent to the floor, and wobbling several times, but he never lost sight of his boxing and seldom, if ever, threw a wild punch. His blows were crisp and better placed than Andries'.

There were two occasions when his class was amply evident: once in the fifth after he was knocked down and he fought back, much as Pedroza did against McGuigan after being floored, and delivered a superb blow, a left upper-cut, and then there was a blow that stunned Andries and dropped him in the ninth.

To be able to pull out a quality punch good enough to drop Andries (only Dave Pearce, the former British heavyweight champion, had previously done that) was an indication of how much control Blanchard had of the situation.

Andries, a good five inches shorter than the 6ft 4in world-class Dutchman, did well to earn a draw. He had some trouble at first, working out how to get past that long reach, but once he had launched himself at Blanchard he almost pulled off an inside-the-distance win.

Quick off the mark for the big spree

Simon Barnes

Christmas, if you haven't noticed, is charging towards us with a business-like expression on its face and book publishers are, as ever, going for the great big annual cash-in. There are two sports books in the hit parade at the moment, both of which are about racing books and both of which are about racing books.

Measurably, the publishing trade has been showing a neat turn of foot in getting books that celebrate Christmas. The book is also a time for the Great Sports, English, or British, or even European success is obviously good for business. The publishing award for mere speed goes unreservedly to *The Ryder Cup* by 25.

Since publishers normally reckon that it takes six months to turn a book round from manuscript to a thing you buy at £9.95, and any Ryder Cup book published in the week that the cup is completed, the whole thing has been completed at what publishers term the speed of light. The book even has a big section of colour pictures.

The book is more of your average brochure than your sober assessment, naturally, and there are contributions from a good number of golf journalists (including our own Mitchell Palmer, there is also an introduction of respectable length from Tony Jacklin, the European captain. "Our win was achieved by 12 players who gave 110 per cent..." The book was published just together on the same principle.

Another instant response book is *An Australian Summer: The Recovery of the Ashes 1985*, a picture book from Patrick Eagar, the cricket photographer, a man who has received the ultimate accolade in the service of cricket: the Duffin and the Ashes. The book is a celebration of the summer from the summer before.

The rather curving caption over the cover, with poor old Wayne Phillips being caught by Gower off Edmonds by way of Lamb's leek. The huge appeal is almost sad. On the back is a lovely view of the Test match, a lovely view of the Test match, a lovely view of the Test match.

The rather curving caption over the cover, with poor old Wayne Phillips being caught by Gower off Edmonds by way of Lamb's leek. The huge appeal is almost sad. On the back is a lovely view of the Test match, a lovely view of the Test match, a lovely view of the Test match.

TODAY'S FIXTURES

FOOTBALL	BOXING
7.30 United States vs. Argentina	8.00 Steene vs. Steene
8.00 United States vs. Argentina	8.00 Steene vs. Steene
8.30 United States vs. Argentina	8.00 Steene vs. Steene
9.00 United States vs. Argentina	8.00 Steene vs. Steene
9.30 United States vs. Argentina	8.00 Steene vs. Steene
10.00 United States vs. Argentina	8.00 Steene vs. Steene
10.30 United States vs. Argentina	8.00 Steene vs. Steene
11.00 United States vs. Argentina	8.00 Steene vs. Steene
11.30 United States vs. Argentina	8.00 Steene vs. Steene
12.00 United States vs. Argentina	8.00 Steene vs. Steene
12.30 United States vs. Argentina	8.00 Steene vs. Steene
1.00 United States vs. Argentina	8.00 Steene vs. Steene
1.30 United States vs. Argentina	8.00 Steene vs. Steene
2.00 United States vs. Argentina	8.00 Steene vs. Steene
2.30 United States vs. Argentina	8.00 Steene vs. Steene
3.00 United States vs. Argentina	8.00 Steene vs. Steene
3.30 United States vs. Argentina	8.00 Steene vs. Steene
4.00 United States vs. Argentina	8.00 Steene vs. Steene
4.30 United States vs. Argentina	8.00 Steene vs. Steene
5.00 United States vs. Argentina	8.00 Steene vs. Steene
5.30 United States vs. Argentina	8.00 Steene vs. Steene
6.00 United States vs. Argentina	8.00 Steene vs. Steene
6.30 United States vs. Argentina	8.00 Steene vs. Steene
7.00 United States vs. Argentina	8.00 Steene vs. Steene
7.30 United States vs. Argentina	8.00 Steene vs. Steene
8.00 United States vs. Argentina	8.00 Steene vs. Steene
8.30 United States vs. Argentina	8.00 Steene vs. Steene
9.00 United States vs. Argentina	8.00 Steene vs. Steene
9.30 United States vs. Argentina	8.00 Steene vs. Steene
10.00 United States vs. Argentina	8.00 Steene vs. Steene
10.30 United States vs. Argentina	8.00 Steene vs. Steene
11.00 United States vs. Argentina	8.00 Steene vs. Steene
11.30 United States vs. Argentina	8.00 Steene vs. Steene
12.00 United States vs. Argentina	8.00 Steene vs. Steene
12.30 United States vs. Argentina	8.00 Steene vs. Steene
1.00 United States vs. Argentina	8.00 Steene vs. Steene
1.30 United States vs. Argentina	8.00 Steene vs. Steene
2.00 United States vs. Argentina	8.00 Steene vs. Steene
2.30 United States vs. Argentina	8.00 Steene vs. Steene
3.00 United States vs. Argentina	8.00 Steene vs. Steene
3.30 United States vs. Argentina	8.00 Steene vs. Steene
4.00 United States vs. Argentina	8.00 Steene vs. Steene
4.30 United States vs. Argentina	8.00 Steene vs. Steene
5.00 United States vs. Argentina	8.00 Steene vs. Steene
5.30 United States vs. Argentina	8.00 Steene vs. Steene
6.00 United States vs. Argentina	8.00 Steene vs. Steene
6.30 United States vs. Argentina	8.00 Steene vs. Steene
7.00 United States vs. Argentina	8.00 Steene vs. Steene
7.30 United States vs. Argentina	8.00 Steene vs. Steene
8.00 United States vs. Argentina	8.00 Steene vs. Steene
8.30 United States vs. Argentina	8.00 Steene vs. Steene
9.00 United States vs. Argentina	8.00 Steene vs. Steene
9.30 United States vs. Argentina	8.00 Steene vs. Steene
10.00 United States vs. Argentina	8.00 Steene vs. Steene
10.30 United States vs. Argentina	8.00 Steene vs. Steene
11.00 United States vs. Argentina	8.00 Steene vs. Steene
11.30 United States vs. Argentina	8.00 Steene vs. Steene
12.00 United States vs. Argentina	8.00 Steene vs. Steene
12.30 United States vs. Argentina	8.00 Steene vs. Steene
1.00 United States vs. Argentina	8.00 Steene vs. Steene
1.30 United States vs. Argentina	8.00 Steene vs. Steene
2.00 United States vs. Argentina	8.00 Steene vs. Steene
2.30 United States vs. Argentina	8.00 Steene vs. Steene
3.00 United States vs. Argentina	8.00 Steene vs. Steene
3.30 United States vs. Argentina	8.00 Steene vs. Steene
4.00 United States vs. Argentina	8.00 Steene vs. Steene
4.30 United States vs. Argentina	8.00 Steene vs. Steene
5.00 United States vs. Argentina	8.00 Steene vs. Steene
5.30 United States vs. Argentina	8.00 Steene vs. Steene
6.00 United States vs. Argentina	8.00 Steene vs. Steene
6.30 United States vs. Argentina	8.00 Steene vs. Steene
7.00 United States vs. Argentina	8.00 Steene vs. Steene
7.30 United States vs. Argentina	8.00 Steene vs. Steene
8.00 United States vs. Argentina	8.00 Steene vs. Steene
8.30 United States vs. Argentina	8.00 Steene vs. Steene
9.00 United States vs. Argentina	8.00 Steene vs. Steene
9.30 United States vs. Argentina	8.00 Steene vs. Steene
10.00 United States vs. Argentina	8.00 Steene vs. Steene
10.30 United States vs. Argentina	8.00 Steene vs. Steene
11.00 United States vs. Argentina	8.00 Steene vs. Steene
11.30 United States vs. Argentina	8.00 Steene vs. Steene
12.00 United States vs. Argentina	8.00 Steene vs. Steene
12.30 United States vs. Argentina	8.00 Steene vs. Steene
1.00 United States vs. Argentina	8.00 Steene vs. Steene
1.30 United States vs. Argentina	8.00 Steene vs. Steene
2.00 United States vs. Argentina	8.00 Steene vs. Steene
2.30 United States vs. Argentina	8.00 Steene vs. Steene
3.00 United States vs. Argentina	8.00 Steene vs. Steene
3.30 United States vs. Argentina	8.00 Steene vs. Steene
4.00 United States vs. Argentina	8.00 Steene vs. Steene
4.30 United States vs. Argentina	8.00 Steene vs. Steene
5.00 United States vs. Argentina	8.00 Steene vs. Steene
5.30 United States vs. Argentina	8.00 Steene vs. Steene
6.00 United States vs. Argentina	8.00 Steene vs. Steene
6.30 United States vs. Argentina	8.00 Steene vs. Steene
7.00 United States vs. Argentina	8.00 Steene vs. Steene
7.30 United States vs. Argentina	8.00 Steene vs. Steene
8.00 United States vs. Argentina	8.00 Steene vs. Steene
8.30 United States vs. Argentina	8.00 Steene vs. Steene
9.00 United States vs. Argentina	8.00 Steene vs. Steene
9.30 United States vs. Argentina	8.00 Steene vs. Steene
10.00 United States vs. Argentina	8.00 Steene vs. Steene
10.30 United States vs. Argentina	8.00 Steene vs. Steene
11.00 United States vs. Argentina	8.00 Steene vs. Steene
11.30 United States vs. Argentina	8.00 Steene vs. Steene
12.00 United States vs. Argentina	8.00 Steene vs. Steene
12.30 United States vs. Argentina	8.00 Steene vs. Steene
1.00 United States vs. Argentina	8.00 Steene vs. Steene
1.30 United States vs. Argentina	8.00 Steene vs. Steene
2.00 United States vs. Argentina	8.00 Steene vs. Steene
2.30 United States vs. Argentina	8.00 Steene vs. Steene
3.00 United States vs. Argentina	8.00 Steene vs. Steene
3.30 United States vs. Argentina	8.00 Steene vs. Steene
4.00 United States vs. Argentina	8.00 Steene vs. Steene
4.30 United States vs. Argentina	8.00 Steene vs. Steene
5.00 United States vs. Argentina	8.00 Steene vs. Steene
5.30 United States vs. Argentina	8.00 Steene vs. Steene
6.00 United States vs. Argentina	8.00 Steene vs. Steene
6.30 United States vs. Argentina	8.00 Steene vs. Steene
7.00 United States vs. Argentina	8.00 Steene vs. Steene
7.30 United States vs. Argentina	8.00 Steene vs. Steene
8.00 United States vs. Argentina	8.00 Steene vs. Steene
8.30 United States vs. Argentina	8.00 Steene vs. Steene
9.00 United States vs. Argentina	8.00 Steene vs. Steene
9.30 United States vs. Argentina	8.00 Steene vs. Steene
10.00 United States vs. Argentina	8.00 Steene vs. Steene
10.30 United States vs. Argentina	8.00 Steene vs. Steene
11.00 United States vs. Argentina	8.00 Steene vs. Steene
11.30 United States vs. Argentina	8.00 Steene vs. Steene
12.00 United States vs. Argentina	8.00 Steene vs. Steene
12.30 United States vs. Argentina	8.00 Steene vs. Steene
1.00 United States vs. Argentina	8.00 Steene vs. Steene
1.30 United States vs. Argentina	8.00 Steene vs. Steene
2.00 United States vs. Argentina	8.00 Steene vs. Steene
2.30 United States vs. Argentina	8.00 Steene vs. Steene
3.00 United States vs. Argentina	8.00 Steene vs. Steene
3.30 United States vs. Argentina	8.00 Steene vs. Steene
4.00 United States vs. Argentina	8.00 Steene vs. Steene
4.30 United States vs. Argentina	8.00 Steene vs. Steene
5.00 United States vs. Argentina	8.00 Steene vs. Steene
5.30 United States vs. Argentina	8.00 Steene vs. Steene
6.00 United States vs. Argentina	8.00 Steene vs. Steene
6.30 United States vs. Argentina	8.00 Steene vs. Steene
7.00 United States vs. Argentina	8.00 Steene vs. Steene
7.30 United States vs. Argentina	8.00 Steene vs. Steene
8.00 United States vs. Argentina	8.00 Steene vs. Steene
8.30 United States vs. Argentina	8.00 Steene vs. Steene
9.00 United States vs. Argentina	8.00 Steene vs. Steene
9.30 United States vs. Argentina	8.00 Steene vs. Steene
10.00 United States vs. Argentina	8.00 Steene vs. Steene
10.30 United States vs. Argentina	8.00 Steene vs. Steene
11.00 United States vs. Argentina	8.00 Steene vs. Steene
11.30 United States vs. Argentina	8.00 Steene vs. Steene
12.00 United States vs. Argentina	8.00 Steene vs. Steene
12.30 United States vs. Argentina	8.00 Steene vs. Steene
1.00 United States vs. Argentina	8.00 Steene vs. Steene
1.30 United States vs. Argentina	8.00 Steene vs. Steene
2.00 United States vs. Argentina	8.00 Steene vs. Steene
2.30 United States vs. Argentina	8.00 Steene vs. Steene
3.00 United States vs. Argentina	8.00 Steene vs. Steene
3.30 United States vs. Argentina	8.00 Steene vs. Steene
4.00 United States vs. Argentina	8.00 Steene vs. Steene
4.30 United States vs. Argentina	8.00 Steene vs. Steene
5.00 United States vs. Argentina	8.00 Steene vs. Steene
5.30 United States vs. Argentina	8.00 Steene vs. Steene
6.00 United States vs. Argentina	8.00 Steene vs. Steene
6.30 United States vs. Argentina	8.00 Steene vs. Steene
7.00 United States vs. Argentina	8.00 Steene vs. Steene
7.30 United States vs. Argentina	8.00 Steene vs. Steene
8.00 United States vs. Argentina	8.00 Steene vs. Steene
8.30 United States vs. Argentina	8.00 Steene vs. Steene
9.00 United States vs. Argentina	8.00 Steene vs. Steene
9.30 United States vs. Argentina	8.00 Steene vs. Steene
10.00 United States vs. Argentina	8.00 Steene vs. Steene
10.30 United States vs. Argentina	8.00 Steene vs. Steene
11.00 United States vs. Argentina	8.00 Steene vs. Steene
11.30 United States vs. Argentina	8.00 Steene vs. Steene
12.00 United States vs. Argentina	8.00 Steene vs. Steene
12.30 United States vs. Argentina	8.00 Steene vs. Steene
1.00 United States vs. Argentina	8.00 Steene vs. Steene
1.30 United States vs. Argentina	8.00 Steene vs. Steene
2.00 United States vs. Argentina	8.00 Steene vs. Steene
2.30 United States vs. Argentina	8.00 Steene vs. Steene
3.00 United States vs. Argentina	8.00 Steene vs. Steene
3.30 United States vs. Argentina	8.00 Steene vs. Steene
4.00 United States vs. Argentina	8.00 Steene vs. Steene
4.30 United States vs. Argentina	8.00 Steene vs. Steene
5.00 United States vs. Argentina	8.00 Steene vs. Steene
5.30 United States vs. Argentina	8.00 Steene vs. Steene
6.00 United States vs. Argentina	8.00 Steene vs. Steene
6.30 United States vs. Argentina	8.00 Steene vs. Steene
7.00 United States vs. Argentina	8.00 Steene vs. Steene
7.30 United States vs. Argentina	8.00 Steene vs. Steene
8.00 United States vs. Argentina	8.00 Steene vs. Steene
8.30 United States vs. Argentina	8.00 Steene vs. Steene
9.00 United States vs. Argentina	8.00 Steene vs. Steene
9.30 United States vs. Argentina	8.00 Steene vs. Steene
10.00 United States vs. Argentina	8.00 Steene vs. Steene
10.30 United States vs. Argentina	8.00 Steene vs. Steene
11.00 United States vs. Argentina	8.00 Steene vs. Steene
11.30 United States vs. Argentina	8.00 Steene vs. Steene
12.00 United States vs. Argentina	8.00 Steene vs. Steene
12.30 United States vs. Argentina	8.00 Steene vs. Steene
1.00 United States vs. Argentina	8.00 Steene vs. Steene
1.30 United States vs. Argentina	8.00 Steene vs. Steene
2.00 United States vs. Argentina	8.00 Steene vs. Steene
2.30 United States vs. Argentina	8.00 Steene vs. Steene
3.00 United States vs. Argentina	8.00 Steene vs. Steene
3.30 United States vs. Argentina	8.00 Steene vs. Steene
4.00 United States vs. Argentina	8.00 Steene vs. Steene
4.30 United States vs. Argentina	8.00 Steene vs. Steene
5.00 United States vs. Argentina	8.00 Steene vs. Steene
5.30 United States vs. Argentina	8.00 Steene vs. Steene
6.00 United States vs. Argentina	8.00 Steene vs. Steene
6.30 United States vs. Argentina	8.00 Steene vs. Steene
7.00 United States vs. Argentina	8.00 Steene vs. Steene
7.30 United States vs. Argentina	8.00 Steene vs. Steene
8.00 United States vs. Argentina	8.00 Steene vs. Steene
8.30 United States vs. Argentina	8.00 Steene vs. Steene
9.00 United States vs. Argentina	8.00 Steene vs. Steene
9.30 United States vs. Argentina	8.00 Steene vs. Steene
10.00 United States vs. Argentina	8.00 Steene vs. Steene
10.30 United States vs. Argentina	8.00 Steene vs. Steene
11.00 United States vs. Argentina	8.00 Steene vs. Steene
11.30 United States vs. Argentina	8.00 Steene vs. Steene
12.00 United States vs. Argentina	8.00 Steene vs. Steene
12.30 United States vs. Argentina	8.00 Steene vs. Steene
1.00 United States vs. Argentina	8.00 Steene vs. Steene
1.30 United States vs. Argentina	8.00 Steene vs. Steene
2.00 United States vs. Argentina	8.00 Steene vs. Steene
2.30 United States vs. Argentina	8.00 Steene vs. Steene
3.00 United States vs. Argentina	8.00 Steene vs. Steene
3.30 United States vs. Argentina	8.00 Steene vs. Steene
4.00 United States vs. Argentina	8.00 Steene vs. Steene
4.30 United States vs. Argentina	8.00 Steene vs. Steene
5.00 United States vs. Argentina	8.00 Steene vs. Steene
5.30 United States vs. Argentina	8.00 Steene vs. Steene
6.00 United States vs. Argentina	8.00 Steene vs. Steene
6.30 United States vs. Argentina	8.00 Steene vs. Steene
7.00 United States vs. Argentina	8.00 Steene vs. Steene
7.30 United States vs. Argentina	8.00 Steene vs. Steene
8.00 United States vs. Argentina	8.00 Steene vs. Steene
8.30 United States vs. Argentina	8.00 Steene vs. Steene
9.00 United States vs. Argentina	8.00 Steene vs. Steene
9.30 United States vs. Argentina	8.00 Steene vs. Steene
10.00 United States vs. Argentina	8.00 Steene vs. Steene
10.30 United States vs. Argentina	8.00 Steene vs. Steene
11.00 United States vs. Argentina	8.00 Steene vs. Steene
11.30 United States vs. Argentina	8.00 Steene vs. Steene
12.00 United States vs. Argentina	8.00 Steene vs. Steene
12.30 United States vs. Argentina	8.00 Steene vs. Steene
1.00 United States vs. Argentina	8.00 Steene vs. Steene
1.30 United States vs. Argentina	8.00 Steene vs. Steene
2.00 United States vs. Argentina	8.00 Steene vs. Steene
2.30 United States vs. Argentina	8.00 Steene vs. Steene
3.00 United States vs. Argentina	8.00 Steene vs. Steene
3.30 United States vs. Argentina	8.00 Steene vs. Steene
4.00 United States vs. Argentina	8.00 Steene vs. Steene
4.30 United States vs. Argentina	8.00 Steene vs. Steene
5.00 United States vs. Argentina	8.00 Steene vs. Steene
5.30 United States vs. Argentina	8.00 Steene vs. Steene
6.00 United States vs. Argentina	8.00 Steene vs. Steene
6.30 United States vs. Argentina	8.00 Steene vs. Steene
7.00 United States vs. Argentina	8.00 Steene vs. Steene
7.30 United States vs. Argentina	8.00 Steene vs. Steene
8.00 United States vs. Argentina	8.00 Steene vs. Steene
8.30 United States vs. Argentina	8.00 Steene vs. Steene
9.00 United States vs. Argentina	8.00 Steene vs. Steene
9.30 United States vs. Argentina	8.00 Steene vs. Steene
10.00 United States vs. Argentina	8.00 Steene vs. Steene
10.30 United States vs. Argentina	8.00 Steene vs. Steene
11.00 United States vs. Argentina	8.00 Steene vs. Steene
11.30 United States vs. Argentina	8.00 Steene vs. Steene
12.00 United States vs. Argentina	8.00 Steene vs. Steene
12.30 United States vs. Argentina	8.00 Steene vs. Steene
1.00 United States vs. Argentina	8.00 Steene vs. Steene
1.30 United States vs. Argentina	8.00 Steene vs. Steene
2.00 United States vs. Argentina	8.00 Steene vs. Steene
2.30 United States vs. Argentina	8.00 Steene vs. Steene
3.00 United States vs. Argentina	8.00 Steene vs. Steene
3.30 United States vs. Argentina	8.00 Steene vs. Steene
4.00 United States vs. Argentina	8.00 Steene vs. Steene
4.30 United States vs. Argentina	8.00 Steene vs. Steene
5.00 United States vs. Argentina	8.00 Steene vs. Steene
5.30 United States vs. Argentina	8.00 Steene vs. Steene

Law Report December 13 1985

Rate support grant rules lawful

Regina v Secretary of State for the Environment, Ex parte Nottinghamshire County Council
Same v Same, Ex parte Bradford City Council
Before Lord Scarman, Lord Rook, Lord Bridge of Harwich, Lord Templeman and Lord Griffiths
[Speeches sold December 12]

The Secretary of State for the Environment did not unlawfully or unreasonably exercise his powers under section 69 of the Local Government, Planning and Land Act 1980 (as amended by the Local Government Finance Act 1982) in laying down expenditure guidance for local authorities for 1985-86 that distinguished between high-spending authorities who had exceeded their targets for the previous year and low-spending authorities who had not done so and provided for high-spending authorities to receive a smaller proportion of their expenditure by way of rate support grant from public funds.

The House of Lords allowed appeals by the secretary of state from the Court of Appeal (Lord Justice Lawton, Lord Justice Slade and Lord Justice Dillon) (*The Times*, October 4, 1985), who allowed in part appeals by Nottinghamshire County Council and the City of Bradford Metropolitan Council from Mr Justice Kennedy's dismissal of the council's applications for judicial review of the secretary of state's guidance.

Mr Robert Alexander, QC, Miss Presley Baxendale and Mr Paul Walker for the secretary of state; Mr Alan Fletcher, QC and Mr Adrian Trevelyan Thomas for Nottinghamshire; Mr Konrad Schiemann, QC and Mr Nicholas Huskinson for Bradford.

LORD BRIDGE said that pursuant to section 60 of the 1980 Act the secretary of state had on December 20, 1984, made for the financial year 1985-86 the *Rate Support Grant Report (England) 1985/86*, which was laid before and in due course approved by resolution of the House of Commons.

As in previous years, the secretary of state included in the report the guidance that he was empowered to issue under section 59 (6) of the Act (as amended) regarding expenditure targets for the coming year. Those targets might only be exceeded at risk of a reduction in the amount that the local authorities concerned would receive by way of grants from central government funds - the rate support grant.

Nottinghamshire, Bradford, and Derbyshire County Council thought that their targets had been set at an unduly low level. Their broad grounds of attack on their applications for judicial review had been that the secretary of state's guidance had not been framed by reference to principles applicable to all local authorities as required by section 59(1A) of the Act (as amended) and that the secretary of state had exercised his power to give it unreasonably in the *Wednesday Picture Houses Ltd v Wednesday Corporation* [1948] 1 KB 223, 229.

As was well known, it had been government policy since 1979 to reduce or restrain the level of public expenditure, including of course, expenditure by local authorities.

Before 1980, the government could generally only influence local authority spending, otherwise than by exhortation, by varying the amount of rate support grant available to all local authorities.

The statutory system had contained no effective mechanism in relation to the distribution of the grant for discriminating between high-spending and low-spending authorities.

The 1980 Act had been designed to provide just such a mechanism, and the 1982 Act (by section 59) had undoubtedly introduced an additional discriminating element that Parliament must have thought necessary to make the mechanism more effective.

Rate support grant was divided into two elements, a domestic rate grant, as to which no question arose, and block grant. It was essential to appreciate that the aggregate amount available for distribution as block grant was fixed sum determined by the secretary of state, so that adjustments of grant to any one or more authorities must affect the grant to others.

One key concept in the distribution system was grant-related expenditure (GRE), which meant the aggregate of an authority's national expenditure having regard to its functions (1980 Act, section 56(3)).

"National" expenditure was an estimate of the expenditure that each authority would need to incur if all authorities provided the same standard of services with the same degree of efficiency at a level consistent with the government's aggregate spending plans for local government.

Annex D to the guidance in the 1985-86 report provided: "The guidance is as follows: If an authority's budgeted total expenditure for 1984-85 is less than or equal to that authority's GRE for 1984-85, the guidance is 3.75 per cent above its 1984-85 adjusted GRE; otherwise [it] is 3.75 per cent above its adjusted expenditure guidance for 1984-85."

That was subject to maximum limits on the percentage by which the application of the formula might increase or reduce authorities' expenditure targets for 1985-86 above or below their budgeted expenditure in 1984-85.

The councils' submission, which had found favour with the Court of Appeal, was that paragraph 2 of annex D, in that it distinguished between authorities who had budgeted in 1984-85 to spend below and those who had budgeted to spend above GRE and set their 1985-86 targets at a percentage increase above different base-lines (1984-85 GRE and 1984-85 targets respectively) was not "framed by reference to principles applicable to all local authorities."

Section 59(1A), they said, required that each and every principle by reference to which the guidance was framed had to be capable of being applied equally to all authorities.

The secretary of state submitted that one set of principles had to be applied to all authorities but that those principles might, where different circumstances affected different authorities, identify and reflect those differences accordingly.

Examination of section 59(1A) in its wider context, and a comparison of its language with the same or similar language used elsewhere in the Act led his Lordship to the conclusion that the guidance was capable of bearing either meaning.

If, however, the councils were right, either the guidance would have to be based on a flat reduction or limited increase in existing expenditure levels across the board or set a new notional expenditure level for all that could not be adjusted to take any account of existing expenditure levels.

His Lordship was clearly of opinion that a purposive approach and the avoidance of the consequences implicit in the councils' construction of section 59(1A) led him to the conclusion that the secretary of state's construction was correct.

On the *Wednesday* point, his Lordship agreed with Lord Scarman.

LORD SCARMAN, agreeing with Lord Bridge on the construction of section 59(1A), said that the councils' submission that even if the secretary of state's guidance complied with the subsection, the burden that it imposed on some authorities, including them, was so disproportionate to the advantages when compared with its effect on others that it was a perverse and unreasonable exercise of the secretary of state's powers under the Act.

His Lordship could not accept that it was constitutionally appropriate, save in very exceptional circumstances, for the courts to intervene on the ground of *Wednesday* unreasonableness to quash guidance framed by the secretary of state, and by necessary implication approved by the House of Commons, that was concerned with the limited public expenditure by local authorities and the incidence of the tax burden as between taxpayers and ratepayers.

Those were matters of political judgment for the secretary of state and the House of Commons, not for the judge of the House of Lords in its judicial capacity.

Examination of the detail of the guidance or its consequences by a court would be justified only if a court would be shown to be shown for holding that the secretary of state had acted in bad faith, or for an improper motive, or that the consequences of his guidance were so absurd that he had taken leave of his senses. The evidence came nowhere near establishing any of those propositions.

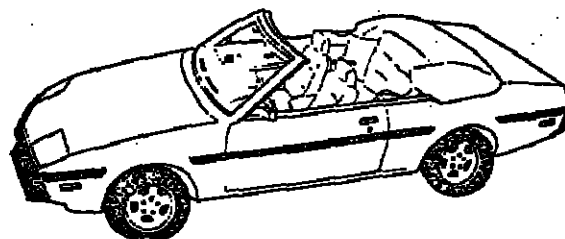
LORD TEMPLEMAN delivered a speech agreeing with Lord Scarman and Lord Bridge.

Solicitors: Treasury Solicitor; Sherwood & Co for Mr A. Sandford; West Bridgford; Warren Mutton for Mr A. R. Sykes, Bradford.

CAR BUYERS' GUIDE

Trade 01-837 2916

General



EXCLUSIVITY ASSURED

The only new Bitter Automatic Convertible available in the UK for immediate delivery.

Finished externally in Pearlescent Red & internally completed in cream hide.

Luxury & Hyperperformance

120 King St., Hammersmith

01-748 0821

GRUP & PCI

GET UP TO 30% DISCOUNT ON NEW CARS

JUST LOOK AT THESE ON THE ROAD EXAMPLES

RENAULT 25 GTX	28,450
RENAULT 25 GTS	27,500
MAZDA 626 GLX HATCH	26,300
GRANADA SCORPIO 2.0 GL	27,250
BMW 320i 2-d	28,320
BMW 318i 2-d	27,500
PEL KADETT GTE	28,320
PEL CORSA SR	24,400
PEL MANTA GTE HATCH	28,150
PEL RECORD CD	27,300
GOLF GTI 3-d	26,930
MERCEDES BENZ 190E	27,050

SPECIAL

PADRON & CO., INTERNATIONAL (UK) LTD.

The Management Office,
Whitworth Road, Manchester, M1 2BN
Tel: (0225) 284448 or Telex 962221 Padron G for Quotation and Free Brochure or contact your local Agent. Scoring and Sunday entries only on 01-748 0821. All prices quoted are subject to our terms and conditions of our contract as detailed in our brochure.

CHRISTMAS CRACKERS!

Peugeot 205 GTI, choice from	22,995
Peugeot 205 GTI, choice from	22,995
Peugeot 205 GTI, choice from	22,995
Peugeot 205 GTI, choice from	22,995
Peugeot 205 GTI, choice from	22,995
Peugeot 205 GTI, choice from	22,995
Peugeot 205 GTI, choice from	22,995
Peugeot 205 GTI, choice from	22,995
Peugeot 205 GTI, choice from	22,995
Peugeot 205 GTI, choice from	22,995

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Peugeot 205 GTI, choice from

Mycar

NEW CARS

EX-STOCK OR EARLY DELIVERY

Excellent prices

Mercedes 190 E, BMW 5, VW Passat 1.8, Volvo 740 GLE, 5000 (Rabbit), 205, Peugeot 205, Ford XR3i, Sierra, Opel Manta etc.

Tel 0895 38363

Ring Mycar Stock Dept.

0895-72103

BEST BUYS

TOP DISCOUNT ANY MAKE

Finance available.

Your car will cost you less if you ring:

S.V.B. (London) LTD.

01-950 0052

Jaguar and Daimler

JULIANS OF READING FOR JAGUAR

1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.	1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.
1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.	1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.
1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.	1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.
1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.	1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.
1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.	1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.
1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.	1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.
1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.	1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.
1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.	1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.
1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.	1984 (B) Jaguar XJ-S 3.6 Cabriolet, Claret with Black, 10,000 miles, 1 owner, superb example, 25,950.

CALL ANDREW JARVIS ON 0734 585011 MON-SAT

0836 205864 SUN

JAGUAR & DAIMLER

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

VERBAFEN AGENT

NHS accident reports not privileged

Lask v Gloucester Health Authority

A confidential accident report, which National Health Service circulars required to be completed by health authorities both for the use of solicitors in case litigation arose in respect of the accident, and also to enable action to be taken to avoid a repetition of the accident, was not subject to legal professional privilege since the dominant purpose of its preparation had not been submission to solicitors in anticipation of litigation, even though both the health authority and the solicitors had deposited that report in the form itself referred only to that purpose.

The Court of Appeal (Lord Justice O'Connor and Mr Justice Latham) held on December 6, 1985, which did not make the solicitor's consideration of the report an order of the Gloucester County Court (Judge Bulger) that it should disclose its confidential accident report to the plaintiff, Mrs Margaret Ellen Lask.

LORD TEMPLEMAN delivered a speech agreeing with Lord Scarman and Lord Bridge.

Solicitors: Treasury Solicitor; Sherwood & Co for Mr A. Sandford; West Bridgford; Warren Mutton for Mr A. R. Sykes, Bradford.

Notes not admissible

P v D

Notes of an interview relating to contemplated divorce proceedings between a solicitor and a mother who was later killed in a road accident were not admissible as evidence in proceedings under section 2 or section 4 of the Civil Evidence Act 1968, Mr Justice Wood stated in the Family Division on December 5.

MR JUSTICE WOOD said that there was an issue as to which side of the family should have care and control of a child aged three.

It was submitted that the notes comprised a statement within section 2(1). However, these notes were the subjective notes of the solicitor and were not agreed or approved or accepted by the other relevant person. The court would refuse to admit the notes under section 4.

It was also submitted that the notes could be admitted under section 4 as a record in his Lordship's opinion the purpose of

NEW NISSAN

For any Colour

Any Model

Immediate Delivery

Telephone today Mr Patel

0203 24289

Nissan Dealer

Takeover ruling quashes brewery

By Jeremy Warner
Business Correspondent

An unprecedented ruling by the Takeover Panel yesterday forced Scottish & Newcastle Breweries to withdraw a claim of victory and admit defeat in its nine-month battle for control of Matthew Brown, the Blackburn brewer.

The panel ruled that a last-minute extension by S & N of its £126 million bid had been against City takeover rules.

At the time the offer had been due to close - 3.30pm on Wednesday - acceptances by shareholders and purchases in the stock market amounted to less than 48 per cent of Matthew Brown's shares - not enough for S & N control.

The decision of the panel's executive was overturned after a full meeting of the panel's 15 members.

The panel said: "A recent amendment in the code is not designed to allow a last-minute extension to search for further support, but to give adequate time for the receiving banker to produce final figures."

Failure to gain control of Matthew Brown is a severe setback for S & N's merchant bank adviser, Morgan Grenfell, which has established itself as the City's top takeover practitioner through a series of overtly aggressive tactics and manoeuvres.

Mr Alick Rankin, S & N's chief executive, said he was "extremely disappointed and very surprised" but that he would accept the panel's ruling. "I am a simple industrialist who finds the ways of the City perplexing."

Mr Rankin asked: "How can you be expected to operate effectively when every time you look up the goal posts have been moved?"

He added: "Having acquired more than 50 per cent with the agreement of the panel's executive, they then said it wasn't allowed. We appear to have been defeated on a technicality."

Kenneth Fleet, page 19

A mission of hope for South Africa



Members of the Commonwealth "group of eminent persons", formed on the initiative of the Nassau summit, at their first meeting in London yesterday: (left to right) Mr Shridath Ramphal, the Commonwealth Secretary-General, Archbishop Desmond Tutu of South Africa, Mr Malcolm Fraser of Australia, General Olusegun Obasanjo of Nigeria, Lord Barber of Britain, Sardar Swaran Singh of India and Mr John Malecela of Tanzania. They are considering how to go about their task of promoting a black-white dialogue and the establishment of a non-racial, representative government in South Africa.

The group hopes to visit southern Africa early in the new year. But it is still unclear whether or not it will be welcomed by the Pretoria Government. Yesterday, they decided they would send a letter to the South African Government explaining their mission.

(Photograph: Harry Kerr)

Police baton charge, page 5

Poll shows confusion on defence

Less than a third of people questioned in a poll realize that the Warsaw Pact has any superiority over Nato forces in conventional and intermediate range nuclear missiles (Our Defence Correspondent writes).

A Gallup poll, which is to form the basis of a conference to be held in London on Monday on public perceptions of defence matters, found that more than 40 per cent of those questioned did not know which side had superiority. Twenty-three per cent believed that Nato was stronger while the Warsaw Pact in conventional arms, and 30 per cent that Nato enjoyed superiority in intermediate range nuclear weapons.

Speakers at the conference at King's College, London, are to include Lord Carrington, Secretary-General of Nato. The organizers are the Foundation for Defence Studies, the Institute for European Defence and Strategic Studies and the Committee for the Free World.

Need for debate, Page 10

Lloyd's threatened with legislation

Continued from page 1

Another fear is that witnesses and suspects will choose to temporarily or permanently out of the jurisdiction, so that when the time is right for us to see them, they are no longer available."

Having asked Mr Sedgmore "to consider carefully the consequences to the police inquiry" which publicity could "cause, with potential witnesses, 'posterior' and 'scarred off' diverted from high-priority inquiries", Mr Squires said publicity could not possibly be in the public interest.

Mr Sedgmore told Mr Squires in a letter last night: "But for my efforts, this scandal would almost certainly have been quietly shoved under the carpet."

He said that it was only because of repeated government and Bank of England assertions that there was no evidence of

Lords reject councils' grants plea

Continued from page 1

Lord Scarman said that the courts could only intervene over the Government's and House of Commons' political judgement where the Secretary of State had abused his powers, acted in bad faith or from an improper motive, or where the effects were so absurd that "he must have taken leave of his senses".

Bradford and Nottinghamshire stood to win £24 million in grant, and Derbyshire another £20 million.

Westminster City Council is pulling out of the Association of Metropolitan Authorities in an unprecedented gesture of political protest.

Lady Porter, the council's Conservative leader, said it was "utterly absurd" that the association, which represents councils in the seven large conurbations, is spending £7 million on new headquarters premises in central London.

Law Report, page 28

Letter from New York

On the bright side of being black

John Johnson, the wealthiest black man in America, is celebrating the fortieth anniversary of his founding of the American institution which made him rich.

Ebony magazine is the largest magazine for blacks in the world, with an increasing circulation of nearly two million. It is unique, with an audience which has more than its share of economic and social problems, the oppressive legacies of slavery and segregation, it concentrates on black success.

Eschewing commentaries on the difficulties of being black in America it looks forever on the bright side. It writes about social problems and discrimination, only as mountains that are conquered. It is glossy, glamorous and optimistic and tells stories of triumph after struggle.

Some blacks dislike it for these very reasons. They think it should concentrate more on social and political issues and the harsh aspects of the black condition, the poverty, crime, unemployment and the subtler forms of discrimination.

But most black readers evidently like it because it is essentially American, upbeat and middle-class in flavour.

Mr Johnson said: "It promotes self-respect. Blacks know they are discriminated against and they don't need us to tell them. *Ebony* shows how they can succeed against the odds. It reflects my own ideas of the importance of valuing yourself and never taking no for an answer."

"We show blacks making it. We are the journal of black progress in America. Every successful businessman, athlete, and entertainer is featured. We cover the important black figures and wrote about Martin Luther King long before the white press discovered him."

Mr Johnson is 67, is himself an exemplar of the kind of people *Ebony* writes about. He started at the bottom, a boy raised in Arkansas and the Chicago slums, whose mother was on public assistance and did menial work to get him an education.

When he was 24 his mother borrowed \$500 against the security of her furniture so he could start a magazine called *Negro Digest*. To convince suppliers there was a demand, he recruited friends to go around for it. Soon the magazine was selling 50,000 a month and with the money he made from it he started *Ebony*.

The magazine has made his company the largest black-owned corporation in America and put Mr Johnson, who is worth about \$160 million, in the list of the 400 richest Americans. And he looks out at Chicago from the top of his 11-storey publishing building.

He has given financial support to black politicians like Jesse Jackson and Harold Washington, the Mayor of Chicago. He bears no bitterness for the slights he has suffered as a black man. He recalls that because of his blackness there was a time when he could not rent rooms in smart hotels for business meetings. He used to get a light-skinned friend to book the rooms - and made his way to the meetings through the tradesmen's entrance.

"I don't get angry. I consider all the improvements I have seen. It is true that many of us are not given a fair chance to reach the top in business. We are not the right colour, don't belong to the right clubs or go to the right schools. We have some political power but we still have to crack the economic barrier. There is a lot for us to do, but you have to believe in the prospect of change."

In its first issue in 1945 *Ebony* said: "You can get as hot and bothered about the race question, but not enough is said about the swell things we can do." Its mission has not changed. Now Mr Johnson is starting another glossy magazine, aimed at the growing number of ambitious and fashion-conscious young black men, on their way up in business and the professions.

Trevor Fishlock

Today's events

Royal engagements
The Queen opens the new Chalfont Centre for Epilepsy, Chalfont St Peter, Bucks, 2.45.
The Prince of Wales presents the Stowe Federation's 1985 Design Awards for Natural Stone, Royal Institute of British Architects, 66 Portland Place, W1, and later visits the Drawings Collection of the RIBA, 21 Portico, W1.
Princess Margaret attends the Olympia International Show Jumping Championships, Grand Hall, Olympia, 6.45.
The Duchess of Kent, Patron, the Spastics Society, visits Beech Tree School (North), Bamber Bridge, Preston, 10.30.
Exhibitions in progress
Glass Now - Freeblown, cast, flat, etched and engraved glass by nineteen artists including Sam

Herman, Peter Layton, John Cook and David Prybylowski watercolours by Mike Hatfield and woodturning by Ian McGregor, Copernican Connection, Lock House, Berkeley, E Yorks Wed to Mon 10.30 to 6, closed Tues (ends Dec 22).
Christmas exhibition: Oxford Gallery, 23 High St, Oxford Mon to Sat 10 to 5 (ends Jan 2).
Paintings and prints: Ronald Martin, The Grange, Rotherham, Brighton; Mon, Thurs and Sat 10 to 5, Tues and Fri 10 to 1 and 2 to 5, Sun 2 to 5, closed Wed (ends Jan 5).
Revisions: New work by Helen Chadwick, Sharon Kivland, Karen Knorr, Mark Lewis, Yve Lomax, Mari Mahr, Olivier Richon, and Susan Traugott; John Hansard Gallery, The University, Southampton; Mon to Sat 10 to 6 (ends Jan 4).
The magical world of puppets: Birmingham Museum and Art Gallery, Chamberlain Square, Mon

to Sat 10 to 5, Sun 2 to 5 (ends Feb 9).
In the Bamboo Grove - 2000 years of Chinese Art; Walsall Museum and Art Gallery, Lichfield St, Mon to Fri 10 to 6, Sat 10 to 4.45 (ends Jan 11).
Drawings and illustrations: Ian Pollack, Newport Museum and Art Gallery, John Fost Sq; Mon to Thurs 9.30 to 5, Fri 9.30 to 4.30, Sat 9.30 to 4 (ends Jan 11).
Last chance to see
Racing: Sun - photographs by Laurence Cutting; University Gallery, Leeds, 10 to 5.
Andrea Mantegna's painting: The Adoration of the Magi, National Gallery of Scotland, The Mound, Princess St, Edinburgh 10 to 5.
Music
Piano recital: by John Savory; Art Gallery, Bury St Edmunds, 1.05.
Concert: by the Endymion Ensemble with John McCabe; The Ferman Centre, King's Lynn, 1.10.
Christmas concert: by the Bampton Singers; St Mary's Church, Bampton, Oxon, 7.30.
St Edmund's School carol service: Canterbury Cathedral, 7.30.
A Christmas concert: by the City of Belfast Youth Orchestra with the junior, youth and Belfast Choral; Ulster Hall, Belfast, 7.30pm.
Lecture
Leonardo da Vinci: the robot revolution, by Prof John Meehan; John Anderson Theatre, Strathclyde University, Glasgow, 10.30 and 2.15.

Food prices

Turkey remains unchanged as the traditional British Christmas dinner. More than four out of five households have a turkey at some time over the holiday period. Fresh birds bought from butchers or farm shops are really better than anything else, although some people may not appreciate the slight advantage in flavour. Prices range from about £1.05 to £2.40 a lb, but may be slightly cheaper in supermarkets which stock them. At the other end of the scale, frozen turkeys have frozen over ready turkeys at 55p and Sainsbury at 59p, while Dewhurst have "fresh style" frozen birds, which are frozen without the addition of water, at 79p a lb. Beagut have produced guides to roast turkey and together with *Woman's Own*, are operating a telephone advice service between 10am and 4pm on Saturday, December 21 and Sunday, December 22, to answer any Christmas cooking queries. Tel: 01-951 1313.

Some two million households prefer chicken to turkey; large birds of the Christmas season are fixed up to 12 people. Prices range from 88p-96p for fresh and 69p-75p a lb for frozen. Fresh birds should ideally be bought within two days of cooking. Cook and birds to be bought at any time but must be properly thawed out before cooking.

Fish supplies, which have been erratic, should be better everywhere this week. Cod and haddock, which have been scarce, should be best buys at £1.61 and £1.65 a lb respectively. Whiting at £1.18 is a little cheaper, but plaice £1.84, mackerel £2.00 and salmon £2.10 are all up slightly. Flat fish may be harder to find, and lemon sole is up 5p a lb to an average of £2.02.

The mild weather has kept prices of home-grown vegetables steady. Leeks 25p-45p a lb, Brussels sprouts 28p-35p, carrots 8p-14p, primo cabbage 10p-20p, swedes 8p-15p and parsnips 15p-25p, are all best buys.

It is now possible to enjoy fresh apricots, plums, peaches, nectarines and strawberries at Christmas due to imports from Spain. Peaches, decorative as well as delicious, are 50p-£1.80, depending on size; apricots 90p-£1.20 a lb, cherries £1.80-£2.80 and nectarines 18p-38p. Spanish apricots are available from 60p-70p for 600g and 80p-90p for 12oz. Sweet and crisp British Columbian Red Delicious apples are widely available at 35p-45p a lb, and their wonderful colour makes an attractive display.

Roads

London and South-east: A3005: Bell Rd, Hounslow, closed to southbound traffic; diversion operates via Saines Rd and Wellington Rd south; delays expected.
The Midlands: M5: Contrailow between junctions 2 (A4123 Dudley) and Birmingham W, and junction 3 (Halesowen and Birmingham W). M5: Widening work between junctions 4 and 5; lanes closed both ways; only one lane northbound and no northbound access at junction 5; expect long delays. Short speed limit, A34: Major roadworks on the Stratford to Shipston road, in Stratford town centre and at Aldermaston, S of the town; long delays; alternative route via A429 and A41.
Wales and West: M5: Hard shoulder and one lane closed southbound at junction 10 (Cheltenham). Glos. A419: Single line traffic on the Cheltenham to Stroud road. Southbound temporary lights; avoid if possible. A449: Contrailow between M4 and A44 and between Exel and Colford, Wexham.
The North: M62/M63/M602: Interchange, Greater Manchester: Lane restrictions N of Barton Bridge in preparation for widening work of M63 two lane section. A34: Water main works at various locations in Conington town centre, Cambridgeshire; lane diversions; traffic controls; severe delays. A11: Northbound lane closures on Ferry Bridge, NE of Pontefract; work on A643 junction 3 (Livingston interchange) and West of junction 5 (Shotts interchange); delays likely. A95: Road resurfacing one mile E of Granton on A7 for one mile; care required. A51: Traffic control between Galston and New Mills for kerbing work.

Weather

An area of low pressure to the N of Scotland will move away NE while a frontal trough over central Britain will move N.

6 am to midnight
London, SE, E, England, East Angles, Midlands, Channel Islands: Rather cloudy, a little drizzle in places, some bright intervals; wind SW moderate or fresh; max temp 11C (52F).
Central S, SW England, S Wales: Heavily cloudy, drizzle, hill and coastal fog patches; wind SW moderate or fresh; max temp 12C (54F).
N Wales, NW, central N, NE England, East of Dover, English Channel: Sun, occasional light rain or drizzle; hill fog; wind SW fresh or strong; max temp 11C (52F).
Scotland, S, E, Ireland, S, Northern Ireland: Sunny intervals, mainly dry, becoming cloudy in evening; wind W fresh or strong becoming SW moderate or fresh; max temp 10C (50F).
Shetland, Central Highlands, Moray Firth, NE, NW Scotland, Orkney, Shetland: Sunny intervals, blustery showers; wind W or NW strong or gale, becoming severe in evening; rain, moderating later; max temp 8C (46F).
Outlook for tomorrow and Sunday: Staying mild and windy with rain at times but also some sunnier periods.
SEA PASSAGES: S North Sea: Winds SW strong occasionally gale at first; occasional rain; visibility moderate or poor; sea very rough becoming rough.
South of Dover, English Channel: Winds SW fresh or strong; rain at times; visibility moderate or poor; sea rough or very rough.
Irish Sea: Winds SW strong occasionally gale; rain at times; visibility moderate or poor; sea rough or very rough.

High tides